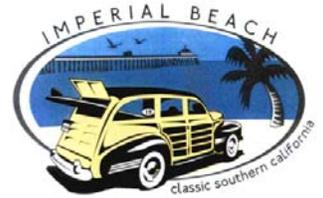




# A G E N D A

## IMPERIAL BEACH CITY COUNCIL REDEVELOPMENT AGENCY PUBLIC FINANCING AUTHORITY



MARCH 19, 2008

Council Chambers  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932

**REGULAR MEETING – 6:00 P.M.**

**THE CITY COUNCIL ALSO SITS AS THE CITY OF IMPERIAL BEACH REDEVELOPMENT AGENCY,  
PLANNING COMMISSION, AND PUBLIC FINANCING AUTHORITY**

The City of Imperial Beach is endeavoring to be in total compliance with the Americans with Disabilities Act (ADA). If you require assistance or auxiliary aids in order to participate at City Council meetings, please contact the City Clerk's Office at (619) 423-8301, as far in advance of the meeting as possible.

### **REGULAR MEETING CALL TO ORDER BY MAYOR**

### **ROLL CALL BY CITY CLERK**

### **PLEDGE OF ALLEGIANCE**

### **AGENDA CHANGES**

### **MAYOR/COUNCIL ANNOUNCEMENTS/REIMBURSEMENTS/REPORTS**

### **COMMUNICATIONS FROM CITY STAFF**

**PUBLIC COMMENT** - *Each person wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda.*

**CONSENT CALENDAR (2.1 - 2.4)** - *All matters listed under Consent Calendar are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items, unless a Councilmember or member of the public requests that particular item(s) be removed from the Consent Calendar and considered separately. Those items removed from the Consent Calendar will be discussed at the end of the Agenda.*

#### **2.1 RATIFICATION OF WARRANT REGISTER. (0300-25)**

City Manager's Recommendation: Ratify the following registers: Accounts Payable Numbers 65924 through 66053 with the subtotal amount of \$772,623.99; and Payroll Register Numbers 39404 through 39443 for the pay period ending 02/28/08 with the subtotal amount of \$127,910.50; for a total amount of \$900,534.49.

**(Continued on Next Page)**

## **CONSENT CALENDAR (Continued)**

- 2.2 RESOLUTION NO. 2008-6604 – APPROVING THE PURCHASE OF SPORTS PARK LIGHTING CONTROLLERS AND 10 YEAR SERVICE AGREEMENT AND TRANSFERRING \$10,250 FROM UNDESIGNATED GENERAL FUND RESERVES FOR THIS PURPOSE. (0920-40)**

City Manager's Recommendation: Adopt resolution.

- 2.3 RESOLUTION NO. 2008-6597 – INITIATING PROCEEDINGS FOR THE ANNUAL LEVY OF ASSESSMENTS AND ORDERING THE PREPARATION OF AN ENGINEER'S "REPORT" FOR A SPECIAL ASSESSMENT DISTRICT – AD 67M. (0465-10)**

City Manager's Recommendation: Adopt resolution.

- 2.4 RESOLUTION NO. 2008-6599 – AUTHORIZING THE CITY MANAGER TO NEGOTIATE A CONTRACT WITH CATHOLIC CHARITIES, NON-PROFIT AGENCY, FOR TEMPORARY PURCHASE OF VEHICLE FUEL FROM THE CITY OF IMPERIAL BEACH. (1130-40)**

City Manager's Recommendation: Adopt resolution.

## **ORDINANCES – SECOND READING & ADOPTION (4.1 - 4.2)**

- 4.1 SECOND READING OF AN ORDINANCE APPROVING AND ADOPTING THE THIRD AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE PALM AVENUE/COMMERCIAL REDEVELOPMENT PROJECT AREA PERTAINING TO THE ORIGINAL PROJECT AREA. (0640-85)**

City Manager's Recommendation:

1. Receive report;
2. Mayor calls for the reading of the title of Ordinance No. 2008-1066;
3. City Clerk reads title of Ordinance No. 2008-1066 – approving and adopting the Third Amendment to the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project Area pertaining to the Original Project Area; and
4. Motion to dispense second reading and adopt Ordinance No. 2008-1066 by title only.

- 4.2 SECOND READING AND ADOPTION OF ORDINANCE NO. 2008-1067 – ESTABLISHING THE IMPERIAL BEACH REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PLAN (RTCIP). (0680-85)**

City Manager's Recommendation:

1. Receive report;
2. Mayor calls for the reading of the title of Ordinance No. 2008-1067;
3. City Clerk reads the title of Ordinance No. 2008-1067 – adopting Chapter 15.48 of the Imperial Beach Municipal Code adopting a transportation uniform mitigation fee program for the purpose of defraying actual or estimated costs of constructing planned regional transportation facilities; and
4. Motion to dispense the second reading and adopt Ordinance No. 2008-1067 by title only.

## **WRITTEN COMMUNICATIONS (5)**

None.

## **PUBLIC HEARINGS (6.1 - 6.5)**

### **6.1 ADOPTION OF THE REVISED JURISDICTIONAL URBAN RUNOFF MANAGEMENT PROGRAM (JURMP) AND AUTHORIZATION FOR THE PUBLIC WORKS DIRECTOR TO SIGN AND FORWARD THE CITY'S REVISED JURMP TO THE REGIONAL WATER QUALITY CONTROL BOARD, SAN DIEGO REGION. (0770-65)**

City Manager's Recommendation:

1. Declare the public hearing open;
2. Receive public testimony;
3. Close the public hearing;
4. Direct JURMP changes as appropriate; and
5. Adopt Resolution No. 2008-6602 – adopting the revised Jurisdictional Urban Runoff Management Program (JURMP) and authorizing the Public Works Director to sign and forward the City's revised JURMP to the Regional Water Quality Control Board, San Diego Region, and ordering the rescission of the 2002 JURMP adopted by Resolution No. 2002-5563.

### **6.2 TAX EQUITY AND FISCAL RESPONSIBILITY ACT PUBLIC HEARING – CONDUIT FINANCING FOR THE 12<sup>TH</sup> STREET APARTMENTS PROJECT FINANCING THE ACQUISITION AND REHABILITATION OF A 16-UNIT MULTIFAMILY HOUSING RENTAL FACILITY. (0660-15)**

City Manager's Recommendation:

1. Declare the public hearing open under the requirements of TEFRA and the Internal Revenue Code of 1986, as amended (the "Code");
2. Receive public testimony;
3. Close the public hearing; and
4. Adopt Resolution No. 2008-6598 – approving the issuance of the Bonds by the CMFA for the benefit of Chelsea Investment Corporation Imperial Beach, a California limited partnership, together with its successors or assigns or any limited partnership or limited liability company established by Chelsea Investment Corporation (the "Developer"), to provide for the financing of the Project, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500; and
5. Authorize the City Manager or designated signatory to execute the Joint Exercise of Powers Agreement with the CMFA.

### **6.3 APPROVAL OF TRANSNET EXTENSION ORDINANCE AND EXPENDITURE PLAN, REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) PROJECT PLAN – REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM PROJECT ON STATE ROUTE 75. (0680-85)**

City Manager's Recommendation:

1. Declare the public hearing open;
2. Receive public testimony;
3. Close the public hearing; and
4. Approve and adopt Resolution No. 2008-6601.

**(Continued on Next Page)**

## **PUBLIC HEARINGS (Continued)**

### **6.4 ESTABLISHING THE IMPERIAL BEACH REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PLAN (RTCIP) FEE OF \$2000 PER RESIDENCE. (0680-85)**

City Manager's Recommendation:

1. Declare the public hearing open;
2. Receive public testimony;
3. Close the public hearing; and
4. Adopt Resolution No. 2008-6605 – establishing a \$2,000 Regional Transportation Congestion Improvement Plan Fee for each new residential dwelling unit.

### **6.5 ADOPTION OF TRANSNET EXTENSION LOCAL STREET AND ROAD PROGRAM OF PROJECTS FOR FISCAL YEARS 2009-2013. (0680-80)**

City Manager's Recommendation:

1. Declare the public hearing open;
2. Receive public testimony;
3. Close the public hearing;
4. Discuss the CIP projects proposed for the 5-year CIP project – modify or accept the projects proposed;
5. Adopt Resolution No. 2008-6603 (with modification if desired), which authorizes the Public Works Director to submit Resolution No. 2008-6603 and ProjectTrak form (attached as Exhibit A to resolution ) to SANDAG; and
6. Authorize the RTIP projects to be added to and included in the City of Imperial Beach adopted 5-year CIP.

## **REPORTS (7.1 - 7.2)**

### **7.1 REDEVELOPMENT OF THE MIRACLE SHOPPING CENTER, NORTH ISLAND CREDIT UNION AND IMPERIAL BEACH MEDICAL CENTER SITES LOCATED ON THE SOUTH SIDE OF STATE ROUTE (“SR”) 75/PALM AVENUE AND BETWEEN 9<sup>TH</sup> AND 7<sup>TH</sup> STREETS. (0620-20)**

City Manager Recommendation:

1. Receive report;
2. Consider the pluses and minuses of each redevelopment option; and
3. Provide direction to City and Agency staff.

### **7.2 FEES ASSOCIATED WITH BUSINESS MASSAGE ESTABLISHMENTS AND TECHNICIANS. (0390-40)**

City Manager's Recommendation:

1. Receive report;
2. Accept staff's recommended fee changes;
3. Direct staff to notice a public hearing on fee changes; and
4. Direct staff to return to City Council with proposed changes to the Municipal Code relative to fee changes.

**ITEMS PULLED FROM THE CONSENT CALENDAR (IF ANY)**

**REPORTS OF MAYOR AND COUNCILMEMBERS**

**ADJOURNMENT**

The Imperial Beach City Council welcomes you and encourages your continued interest and involvement in the City's decision-making process.

For your convenience, the agenda is also available to you on our website at [www.cityofib.com](http://www.cityofib.com).

**A COPY OF THE COUNCIL MEETING PACKET MAY BE VIEWED BY THE PUBLIC  
IN THE OFFICE OF THE CITY CLERK AT CITY HALL.**

Copies of this notice were provided on March 13, 2008 to the City Council, San Diego Union-Tribune, I.B. Eagle & Times, and I.B. Sun.

AFFIDAVIT OF POSTING)  
STATE OF CALIFORNIA)  
CITY OF IMPERIAL BEACH)

I, Lisa Wolfson, Deputy City Clerk of the City of Imperial Beach, hereby certify that the Agenda for the Regular Meeting as called by the City Council, Redevelopment Agency, and Public Financing Authority of Imperial Beach was provided and posted on March 13, 2008. Said meeting to be held at 6:00 p.m., March 19, 2008, in the Council Chambers, 825 Imperial Beach Boulevard, Imperial Beach, California. Said notice was posted at the entrance to the City Council Chambers on March 13, 2008 at 10:30 a.m.

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Lisa Wolfson  
Deputy City Clerk



**STAFF REPORT  
CITY OF IMPERIAL BEACH**

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**FROM:** GARY R. BROWN, CITY MANAGER

**MEETING DATE:** March 19, 2008

**ORIGINATING DEPT.:** Michael McGrane  
Finance Director

**SUBJECT:** RATIFICATION OF WARRANT REGISTER *mm*

**BACKGROUND:**

None

**DISCUSSION:**

As of April 7, 2004, all large warrants above \$100,000 will be separately highlighted and explained on the staff report.

Vendor	Warrant	Amount	Explanation
City of San Diego	65929	\$532,879.00	Metro Sewer Charge, 3 <sup>rd</sup> Qtr 08

**ENVIRONMENTAL IMPACT**

Not a project as defined by CEQA.

The following registers are submitted for Council ratification.

**WARRANT #                      DATE                      AMOUNT**

**Accounts Payable:**

65924-65955	02/22/08	629,983.02
65956-65958	02/25/08	4,852.31
65959-65995	02/28/08	44,345.52
65996-66053	03/07/08	93,443.14
		<b>\$ 772,623.99</b>

**Payroll Checks:**

39404-39443	P.P.E 02/28/08	127,910.50
	<b>SUB-TOTAL</b>	<b>\$ 127,910.50</b>
	<b>TOTAL</b>	<b>\$ 900,534.49</b>

**FISCAL IMPACT:**

Warrants are issued from budgeted funds.

**DEPARTMENT RECOMMENDATION:**

It is respectfully requested that the City Council ratify the warrant register.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department recommendation

  
\_\_\_\_\_  
Gary Brown, City Manager

Attachments:

1. Warrant Registers

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO # PER/YEAR
				TRN AMOUNT
02/22/2008	65924	ACCONTEMPS	70	1,190.00
101-1210-413.21-01	02/11/2008	HARRIS,O W/E 02/08/2008	20790042	080016 08/2008 1,190.00
02/22/2008	65925	ALL TEAM STAFFING, INC	1801	1,226.88
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 26.88
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 120.00
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 60.00
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 30.00
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 150.00
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 120.00
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 60.00
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 90.00
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 210.00
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 30.00
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 30.00
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 240.00
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 30.00
101-6040-454.21-01	02/11/2008	ROMERO, S W/E 02/08/2008	1000157	080304 08/2008 30.00
02/22/2008	65926	SOUTHCOAST HEATING & A/C	1554	470.00
101-1910-419.21-04	01/30/2008	PREVENTATIVE MAINTENANCE	C35807	080099 07/2008 470.00
02/22/2008	65927	BANC OF AMERICA LEASING	1723	199.64
101-3030-423.20-17	01/21/2008	LIFEGUARD EQUIP. LEASE	010125942	080035 07/2008 199.64
02/22/2008	65928	BDS ENGINEERING INC	372	3,972.00
101-0000-221.01-02	02/05/2008	PROFESSIONAL SERVICES	08-02	08/2008 240.00
101-0000-221.01-02	02/05/2008	PROFESSIONAL SERVICES	08-02	08/2008 710.00
101-0000-221.01-02	02/05/2008	PROFESSIONAL SERVICES	08-02	08/2008 315.00
101-0000-221.01-02	02/05/2008	PROFESSIONAL SERVICES	08-02	08/2008 130.00
101-0000-221.01-02	02/05/2008	PROFESSIONAL SERVICES	08-02	08/2008 185.00
101-0000-221.01-02	02/05/2008	PROFESSIONAL SERVICES	08-02	08/2008 813.00
101-0000-221.01-02	02/05/2008	PROFESSIONAL SERVICES	08-02	08/2008 260.00
101-0000-221.01-02	02/05/2008	PROFESSIONAL SERVICES	08-02	08/2008 315.00
101-0000-221.01-02	02/05/2008	PROFESSIONAL SERVICES	08-02	08/2008 319.00
101-0000-221.01-02	02/05/2008	PROFESSIONAL SERVICES	08-02	08/2008 185.00
101-0000-221.01-02	02/05/2008	PROFESSIONAL SERVICES	08-02	08/2008 500.00
02/22/2008	65929	CITY OF SAN DIEGO	896	532,879.00
601-5060-436.21-04	01/17/2008	METRO SWR CHG 3RD QTR 08	C479732	080257 07/2008 532,879.00
02/22/2008	65930	COLONIAL LIFE & ACCIDENT	941	128.43
101-0000-209.01-13	02/21/2008	PPE 2/14/08	20080221	08/2008 128.43
02/22/2008	65931	COUNTY OF SAN DIEGO RCS	1065	52,324.00
101-1230-413.21-25	02/20/2008	PRICIPAL&INT. 4 07-08	07BCCIB11	08/2008 1,255.78
101-3010-421.21-25	02/20/2008	PRICIPAL&INT. 4 07-08	07BCCIB11	08/2008 32,283.91
101-3020-422.21-25	02/20/2008	PRICIPAL&INT. 4 07-08	07BCCIB11	08/2008 3,662.68
101-3030-423.21-25	02/20/2008	PRICIPAL&INT. 4 07-08	07BCCIB11	08/2008 4,499.86

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO # PER/YEAR TRN AMOUNT
101-5020-432.21-25	02/20/2008	PRICIPAL&INT. 4 07-08	07BCCIB11	08/2008 10,621.77
02/22/2008 65932	CREATIVE BENEFITS INC FSA	1108		353.84
101-0000-209.01-11	02/21/2008	PPE 2/14/08	20080221	08/2008 353.84
02/22/2008 65933	CSMFO	566		.00
101-1210-413.28-12	02/20/2008	CMTA ANNUAL M/SHIP	73400	08/2008 45.00
101-1210-413.28-12	03/05/2008	CMTA ANNUAL M/SHIP	73400	08/2008 45.00-
02/22/2008 65934	DATA CAREERS PERSONNEL SERVICE	1839		562.50
503-1923-419.21-01	02/10/2008	ALLOSON,R W/E 02/10/2008	8796	080183 08/2008 562.50
02/22/2008 65935	ELIZABETH CUMMING	1729		143.42
405-1260-413.28-04	02/21/2008	MILEAGE REIMBURSEMENT	02-22-2008	08/2008 143.42
02/22/2008 65936	GCR TIRE CENTERS	1702		643.03
501-1921-419.28-16	01/29/2008	NEW TIRES	40785	080153 07/2008 643.03
02/22/2008 65937	GRAINGER	1051		89.11
101-1910-419.28-01	02/04/2008	OPERATIONS SUPPLY	9559427142	080294 08/2008 89.11
02/22/2008 65938	GTC SYSTEMS INC	1910		622.60
503-1923-419.20-06	02/11/2008	PROFESSIONAL SERVICES	27398	080800 08/2008 622.60
02/22/2008 65939	I B FIREFIGHTERS ASSOCIATION	214		222.00
101-0000-209.01-08	02/21/2008	PPE 2/14/08	02142008	08/2008 222.00
02/22/2008 65940	ICMA RETIREMENT TRUST 457	242		7,144.70
101-0000-209.01-10	02/21/2008	PPE 2/14/08	20080221	08/2008 7,144.70
02/22/2008 65941	DOCUFLOW SOLUTIONS	367		3,866.10
101-1920-419.30-01	02/06/2008	ANNUAL MAINTENANCE	2691	080805 08/2008 3,866.10
02/22/2008 65942	MAXIMUS, INC.	954		4,600.00
101-1210-413.20-06	02/20/2008	STATE MANDATED PROGRAMS	1021959-001	08/2008 4,600.00
02/22/2008 65943	MORELAND & ASSOCIATES INC	1086		5,244.75
101-1210-413.20-06	02/16/2008	PERSONNEL SERVICES	02-16-2008	080037 08/2008 2,360.15
405-1260-413.20-06	02/16/2008	PERSONNEL SERVICES	02-16-2008	080037 08/2008 2,360.13
503-1923-419.20-06	02/16/2008	PERSONNEL SERVICES	02-16-2008	080037 08/2008 524.47
02/22/2008 65944	NANCY NEUFELD	1		20.00
101-1020-411.28-12	02/20/2008	SD CUNTY DCC DUE 4 2008	02-20-2008	08/2008 20.00
02/22/2008 65945	PRUDENTIAL OVERALL SUPPLY	72		162.77
101-5020-432.25-03	02/13/2008	OVERALL SUPPLY	7803656	080180 08/2008 162.77
02/22/2008 65946	SALIENT NETWORKS	250		1,212.24
503-1923-419.20-06	02/14/2008	ENGINEERING SUPPORT	00003366	080799 08/2008 1,212.24
02/22/2008 65947	SASE COMPANY, INC	327		5,684.40
501-1921-419.50-04	02/12/2008	OPERATIONS SUPPLY	IN61319	080797 08/2008 5,684.40

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT	
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO # PER/YEAR	TRN AMOUNT
02/22/2008	65948	SEIU LOCAL 221	1821	1,300.20	
101-0000-209.01-08	02/21/2008	PPE 2/14/08	20080221	08/2008	1,300.20
02/22/2008	65949	SKS INC.	412	3,153.82	
501-1921-419.28-15	02/12/2008	1050GAL OF UNL GASOLINE	1216311-IN	080151 08/2008	3,153.82
02/22/2008	65950	SOUTHWESTERN COLLEGE	492	289.09	
101-1020-411.21-01	02/05/2008	INTERNSHIP PROGRAM	0026	080532 08/2008	125.65
101-1020-411.21-01	02/05/2008	INTERNSHIP PROGRAM	0034	080532 08/2008	163.44
02/22/2008	65951	SPRINT	497	293.87	
101-3030-423.27-05	02/21/2008	LIFEGUARD JAN/FEB'08 BILL	02-22-2008	08/2008	293.87
02/22/2008	65952	SUNGARD PUBLIC SECTOR INC.	1370	1,600.00	
101-1920-419.20-06	02/11/2008	LAND PARCEL MANAGEMENT	879397	080795 08/2008	1,600.00
02/22/2008	65953	UNITED WAY OF SAN DIEGO COUNTY	1483	25.00	
101-0000-209.01-09	02/21/2008	PPE 2/14/08	20080221	08/2008	25.00
02/22/2008	65954	VORTEX INDUSTRIES, INC.	786	196.00	
101-1910-419.21-04	01/17/2008	REPAIRS & SAFETY CHECK	11-379725-1	080155 07/2008	196.00
02/22/2008	65955	WEST GROUP CTR	826	118.63	
101-1020-411.28-14	02/01/2008	WEST INFO CHARGES	815325441	080434 08/2008	118.63
02/25/2008	65956	ALLIANT INSURANCE SERVICES	1193	2,442.97	
101-0000-209.01-13	01/10/2008	PPE 1/3/08	20080110	07/2008	321.60
101-0000-209.01-14	01/10/2008	PPE 1/3/08	20080110	07/2008	550.91
101-0000-209.01-13	02/21/2008	PPE 2/14/08	20080221	08/2008	321.60
101-0000-209.01-14	02/21/2008	PPE 2/14/08	20080221	08/2008	538.90
101-1010-411.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	21.33
101-1020-411.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	36.50
101-1110-412.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	94.28
101-1130-412.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	22.11
101-1210-413.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	51.24
101-1230-413.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	26.33
101-3070-427.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	.70
101-3080-428.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	.70
101-1910-419.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	7.02
101-3010-421.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	12.10
101-3020-422.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	49.51
101-3030-423.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	42.67
101-3040-424.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	24.57
101-5020-432.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	56.16
101-5010-431.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	17.55
101-5040-434.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	4.91
101-6020-452.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	7.02
101-6010-451.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	7.02
101-6040-454.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008	17.55

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO # PER/YEAR TRN AMOUNT
245-1240-413.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008 7.02
405-1260-413.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008 133.51
405-5030-433.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008 7.02
601-5060-436.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008 17.55
601-5050-436.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008 19.66
501-1921-419.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008 7.02
502-1922-419.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008 7.79
503-1923-419.11-04	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008 23.16
101-0000-209.01-14	02/25/2008	FEB'08 LTD, LIFE&VOL.LIFE	02-28-2008	08/2008 12.04-
02/25/2008	65957	PREFERRED BENEFIT INS ADMIN IN	37	2,195.88
101-0000-209.01-12	01/10/2008	PPE 1/3/08	20080110	07/2008 1,062.84
101-0000-209.01-12	02/21/2008	PPE 2/14/08	20080221	08/2008 1,111.11
101-0000-209.01-12	02/25/2008	FEB'08 DENTAL INS. PREMIU	02-28-2008	08/2008 21.93
02/25/2008	65958	VISION PLAN OF AMERICA	785	213.46
101-0000-209.01-18	01/10/2008	PPE 1/3/08	20080110	07/2008 106.65
101-0000-209.01-18	02/21/2008	PPE 2/14/08	20080221	08/2008 106.65
101-0000-209.01-18	02/25/2008	MARCH'08 VISION PLAN PREM	02-28-2008	08/2008 9.84-
101-1920-419.29-04	02/25/2008	MARCH'08 VISION PLAN PREM	02-28-2008	08/2008 10.00
02/28/2008	65959	ACCUUNTEMP	70	952.00
101-1210-413.21-01	02/18/2008	HARRIS, O W/E 02/15/2008	20819163	080016 08/2008 952.00
02/28/2008	65960	ADT SECURITY SERVICES	2	85.00
101-0000-321.72-10	02/25/2008	OL REFUNDS	0000065	08/2008 85.00
02/28/2008	65961	ARS AMERICAN RESID/TORREY PINE	2	85.00
101-0000-321.72-10	02/25/2008	OL REFUNDS	0000255	08/2008 85.00
02/28/2008	65962	BALTODANO, LUIS & JOSEPHINE	2	10.00
101-0000-321.72-10	02/25/2008	OL REFUNDS	0004756	08/2008 10.00
02/28/2008	65963	BANC OF AMERICA LEASING	1723	235.57
101-3030-423.20-17	02/21/2008	LIFEGUARD EQUIP. LEASE	010198161	080035 08/2008 199.64
101-3030-423.20-17	02/21/2008	LIFEGUARD EQUIP. LEASE	010198161	080035 08/2008 35.93
02/28/2008	65964	CORPORATE EXPRESS OFFICE	1038	211.25
101-1210-413.30-01	02/06/2008	OFFICE SUPPLY	85023592	080095 08/2008 8.88
101-1210-413.30-01	02/04/2008	OFFICE SUPPLIES	84957870	080095 08/2008 116.59
101-1210-413.30-01	01/07/2008	OFFICE SUPPLIES	84178087	080095 07/2008 213.94
101-1210-413.30-01	01/08/2008	OFFICE SUPPLIES	84218362	080095 07/2008 45.36
101-1210-413.30-01	01/09/2008	OFFICE SUPPLIES	84264960	080095 07/2008 40.88
101-1210-413.30-01	02/06/2008	REFUND ON OFFICE SUPPLIES	85026811	080095 07/2008 214.40-
02/28/2008	65965	CULLIGAN WATER CO. OF SAN DIEG	1112	18.95
101-1210-413.30-02	02/17/2008	03/01-03/31 RENTAL BW CO	19184099	080186 08/2008 18.95
02/28/2008	65966	DATA CAREERS PERSONNEL SERVICE	1839	562.50
503-1923-419.21-01	02/18/2008	ALLISON, R W/E 02/17/2008	8799	080183 08/2008 562.50

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ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
02/28/2008	65967	DG LANDSCAPE	1167			2,100.00	
101-6020-452.21-04	02/21/2008	WEED CONTROL	797	080303	08/2008	700.00	
101-6020-452.21-04	11/07/2007	WEED CONTROL	756	080303	05/2008	700.00	
101-6020-452.21-04	11/20/2007	WEED CONTROL	784	080303	05/2008	700.00	
02/28/2008	65968	FOUR GRANGER LLC	1			6,665.00	
101-0000-221.01-05	02/27/2008	TEP 08-03 BOND REFUND	02-28-2008		08/2008	4,740.00	
101-0000-221.01-05	02/27/2008	TEP 07-45 BOND REFUND	02-28-2008		08/2008	1,925.00	
02/28/2008	65969	FRANK BROWN	4			.00	
101-0000-221.01-02	10/27/2005	REFUND OF DEPOSIT BALANCE	10-27-2005		04/2006	210.94	
101-0000-221.01-02	10/27/2005	REFUND OF DEPOSIT BALANCE	10-27-2005		04/2006	2,330.00	
101-0000-221.01-02	03/03/2008	REFUND OF DEPOSIT BALANCE	10-27-2005		08/2008	210.94-	
101-0000-221.01-02	03/03/2008	REFUND OF DEPOSIT BALANCE	10-27-2005		08/2008	2,330.00-	
02/28/2008	65970	GEORGE BRAUDAWAY	4			.00	
101-0000-221.01-02	02/14/2006	REFUND ON 1187 13TH ST IB			08/2006	315.20	
101-0000-221.01-02	03/03/2008	REFUND ON 1187 13TH ST IB			08/2008	315.20-	
02/28/2008	65971	HANSON AGGREGATES INC.	48			1,324.79	
101-5010-431.30-02	02/06/2008	OPERATION SUPPLY	551039	080080	08/2008	125.78	
101-5010-431.30-02	02/08/2008	5.53SK PUMP	460113	080080	08/2008	1,199.01	
02/28/2008	65972	HDL COREN & CONE	88			975.00	
101-1210-413.20-06	02/25/2008	CONTRACT SERVICES	0013913-IN	080272	08/2008	975.00	
02/28/2008	65973	JTL CONSTRUCTION	1911			5,620.00	
408-1920-519.20-06	02/24/2008	CONSTRUCTION CONTRACT	02-24-2008	080874	08/2008	5,620.00	
02/28/2008	65974	KELLY MEDOGOVICH	4			.00	
101-0000-221.01-02	10/27/2005	REFUND OF DEPOSIT BALANCE	10-27-2005		04/2006	1,186.43	
101-0000-221.01-02	03/03/2008	REFUND OF DEPOSIT BALANCE	10-27-2005		08/2008	1,186.43-	
02/28/2008	65975	KONICA MINOLTA BUSINESS SOLUTI	1522			806.00	
101-3030-423.28-01	02/21/2008	SERV. SUPPLY CONTRACT	02-21-2008	080869	08/2008	806.00	
02/28/2008	65976	LEADINGHAM REALTY	2			120.00	
101-0000-321.72-10	02/25/2008	OL REFUNDS	0005565		08/2008	40.00	
101-0000-323.71-01	02/25/2008	OL REFUNDS	0005565		08/2008	10.00	
101-0000-323.71-01	02/25/2008	OL REFUNDS	0005565		08/2008	50.00	
101-0000-321.72-10	02/25/2008	OL REFUNDS	0005565		08/2008	20.00	
02/28/2008	65977	LOUNSBERY FERGUSON ALTONA AND	1624			255.85	
601-5060-436.20-06	02/20/2008	TC CONSTRUCTION	02-20-2008	080691	08/2008	255.85	
02/28/2008	65978	MAREENA A. MOHN	1			4,265.00	
101-0000-221.01-05	12/19/2007	TEP 07-32 BOND REFUND	12-18-2007		06/2008	4,265.00	
02/28/2008	65979	MICHAEL GARMANY	1			25.00	
101-0000-324.72-20	02/26/2008	DOG LICENSE FEES REFUND	02-28-2008		08/2008	25.00	

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02/28/2008	65980	MOBILE HOME ACCEPTANCE CORPORA	1533	296.31	
408-5020-432.25-02	02/22/2008	12X40-43 OFFICE TRAILER	137124	080211 08/2008	296.31
02/28/2008	65981	NASLAND ENGINEERING	1656	7,425.00	
408-1920-519.20-06	01/31/2008	PROFESSIONAL SERVICES	85357	071139 07/2008	7,425.00
02/28/2008	65982	OUCHI'S POWER EQUIPMENT	1090	53.73	
501-1921-419.28-16	02/26/2008	FIRE EQUIPMENT CHAINSAW	218658	080091 08/2008	53.73
02/28/2008	65983	PALM GLASS LLC	2	20.00	
101-0000-321.72-10	02/25/2008	OL REFUNDS	0006206	08/2008	20.00
02/28/2008	65984	PARTNERSHIP WITH INDUSTRY	1302	1,232.78	
101-6040-454.21-04	02/19/2008	SERVICES FPE 02/15/2008	SBG01260	080185 08/2008	1,232.78
02/28/2008	65985	PATRICIA SWANSON	1874	102.55	
101-1020-411.28-06	02/25/2008	COM PETTY CASH	02-29-2008	08/2008	14.00
101-1010-411.28-04	02/25/2008	COM PETTY CASH	02-29-2008	08/2008	6.24
101-1010-411.28-04	02/25/2008	COM PETTY CASH	02-29-2008	08/2008	14.00
101-1010-411.28-04	02/25/2008	COM PETTY CASH	02-29-2008	08/2008	12.00
101-1010-411.28-04	02/25/2008	COM PETTY CASH	02-29-2008	08/2008	10.00
101-1010-411.28-04	02/25/2008	COM PETTY CASH	02-29-2008	08/2008	16.67
101-1010-411.28-04	02/25/2008	COM PETTY CASH	02-29-2008	08/2008	11.31
101-1010-411.28-04	02/25/2008	COM PETTY CASH	02-29-2008	08/2008	3.59
101-1210-413.28-04	02/25/2008	COM PETTY CASH	02-29-2008	08/2008	6.59
101-1110-412.30-01	02/25/2008	COM PETTY CASH	02-29-2008	08/2008	.15
101-1020-411.28-04	02/25/2008	COM PETTY CASH	02-29-2008	08/2008	8.00
02/28/2008	65986	PATTY SWANSON	1	90.02	
101-1010-411.28-04	02/25/2008	REIMBURSEMENT 4 PURCHASE	02-28-2008	08/2008	90.02
02/28/2008	65987	PMI	23	182.00	
501-1921-419.30-02	02/22/2008	DIAMOND GRIP	0129356	080137 08/2008	182.00
02/28/2008	65988	PRUDENTIAL OVERALL SUPPLY	72	192.42	
101-5020-432.25-03	02/20/2008	OVERALL SUPPLY	7832867	080180 08/2008	192.42
02/28/2008	65989	RANCHO AUTO & TRUCK PARTS	1685	189.82	
501-1921-419.28-16	02/14/2008	THERMOPADS	D307613	080152 08/2008	56.74
501-1921-419.28-16	02/14/2008	FILTERS	D307615	080152 08/2008	34.05
501-1921-419.28-16	02/20/2008	WIX FILTERS	D308529	080152 08/2008	8.61
501-1921-419.28-16	02/21/2008	AUTO PARTS 4 FORD TAURUS	D308664	080152 08/2008	48.57
501-1921-419.28-16	02/21/2008	WIX FILTERS	D308710	080152 08/2008	32.43
501-1921-419.28-16	02/25/2008	WIPER REFILLS	D309195	080152 08/2008	9.42
02/28/2008	65990	RAYMOND TSCHAKERT CONSTRUCTION	2	270.00	
101-0000-321.72-10	02/26/2008	OL REFUNDS	0003473	08/2008	270.00
02/28/2008	65991	SOUTHWESTERN COLLEGE	492	135.04	
101-1020-411.21-01	02/19/2008	ROCHER, J /INTERSHIP PROG.	0039	080532 08/2008	135.04

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02/28/2008	65992	STREET SMART SOLUTIONS, LLC	1916			1,256.00	
101-6040-454.30-02	02/25/2008	POST COLOR KEY	02-25-2008	080835	08/2008	1,256.00	
02/28/2008	65993	STU WILSON	4			.00	
101-0000-221.01-02	10/21/2005	REFUND OF DEPOSIT BALANCE	10-21-2005		04/2006	1,758.00	
101-0000-221.01-02	03/03/2008	REFUND OF DEPOSIT BALANCE	10-21-2005		08/2008	1,758.00-	
02/28/2008	65994	UNION BANK OF CALIFORNIA	735			875.00	
101-1920-419.29-04	02/13/2008	SERV. FP 11/1/07-1/31/08	02-13-2008	080296	08/2008	875.00	
02/28/2008	65995	92178	4			.00	
101-0000-221.01-02	01/06/2004	736-742 CHERRY/OCEANBREEZ	JAN2003		07/2004	1,907.37	
101-0000-221.01-02	03/03/2008	736-742 CHERRY/OCEANBREEZ	JAN2003		08/2008	1,907.37-	
03/07/2008	65996	ACCUUNTEMPS	70			1,844.50	
101-1210-413.21-01	02/25/2008	HARRIS,O W/E 02/22/2008	20885602	080016	08/2008	952.00	
101-1210-413.21-01	03/04/2008	HARRIS,O W/E 02/29/2008	20961743	080016	09/2008	892.50	
03/07/2008	65997	ADT SECURITY SERVICES, INC.	103			109.17	
101-6010-451.21-04	02/05/2008	MONTHLY ALARM SERVICE	65621715	080021	08/2008	43.10	
101-6010-451.21-04	02/09/2008	MONTHLY ALARM SERVICE	66275014	080021	08/2008	66.07	
03/07/2008	65998	AFLAC	120			858.45	
101-0000-209.01-13	02/21/2008	PPE 02/14/08	20080221		08/2008	400.35	
101-0000-209.01-13	03/06/2008	PPE 2/28/08	100469		09/2008	458.10	
03/07/2008	65999	AGRICULTURAL PEST CONTROL	123			475.00	
101-6010-451.28-01	02/26/2008	PEST CONTROL SERVICES	84157	080205	08/2008	95.00	
101-6010-451.28-01	01/22/2008	PEST CONTROL SERVICES	81927	080205	07/2008	95.00	
101-6010-451.28-01	11/27/2007	PEST CONTROL SERVICES	77282	080205	05/2008	95.00	
101-6010-451.28-01	09/25/2007	PEST CONTROL SERVICES	72549	080205	03/2008	95.00	
101-6010-451.28-01	08/28/2007	PEST CONTROL SERVICES	69861	080205	02/2008	95.00	
03/07/2008	66000	AK & COMPANY	1640			2,250.00	
101-1210-413.20-06	03/04/2008	SB 90 CLAIM SERVICES	I BEACH - 2		09/2008	2,250.00	
03/07/2008	66001	ALL TEAM STAFFING, INC	1801			2,244.38	
101-6040-454.21-01	02/25/2008	SHERPARD,B W/E 2/17&2/24/	1000168	080304	08/2008	48.38	
101-6040-454.21-01	02/25/2008	SHERPARD,B W/E 2/17&2/24/	1000168	080304	08/2008	701.50	
101-6040-454.21-01	02/25/2008	SHERPARD,B W/E 2/17&2/24/	1000168	080304	08/2008	30.50	
101-6040-454.21-01	02/25/2008	SHERPARD,B W/E 2/17&2/24/	1000168	080304	08/2008	30.50	
101-6040-454.21-01	02/25/2008	SHERPARD,B W/E 2/17&2/24/	1000168	080304	08/2008	1,311.50	
101-6040-454.21-01	02/25/2008	SHERPARD,B W/E 2/17&2/24/	1000168	080304	08/2008	122.00	
03/07/2008	66002	AMERICAN EXPRESS	1895			193.89	
101-6010-451.30-02	03/03/2008	CLEANING SUPPLIES	599610	080587	09/2008	193.89	
03/07/2008	66003	SOUTHCOAST HEATING & A/C	1554			2,247.00	
504-1924-419.20-06	02/25/2008	HEATING&AIR COND. SERVICE	J8664	080834	08/2008	2,247.00	

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03/07/2008	66004	ARROWHEAD MOUNTAIN SPRING WATE	1340				87.86
101-5020-432.30-02	02/22/2008	AH DRINKING WATER	08B0026726646	080213	08/2008		37.94
101-1010-411.30-02	02/22/2008	AH DRINKING WATER	08B0025324922	080018	08/2008		49.92
03/07/2008	66005	AT&T	291				458.40
101-3020-422.27-04	02/13/2008	030 290 1325 001	03-08-2008		08/2008		68.90
101-3030-423.27-04	02/13/2008	030 290 2293 001	03-08-2008		08/2008		151.66
101-0000-221.02-01	02/21/2008	030-326-8685-001	03-16-2008		08/2008		32.83
101-1010-411.27-04	02/25/2008	030 357 0352 001	03-20-2008		08/2008		24.34
101-1230-413.27-04	02/25/2008	030 357 0356 001	03-20-2008		08/2008		82.39
101-1130-412.27-04	02/25/2008	030 357 0371 001	03-20-2008		08/2008		39.79
101-6010-451.27-04	02/13/2008	030 485 6799 001	03-08-2008		08/2008		22.43
101-1110-412.27-04	02/01/2008	030 480 7968 001	02-25-2008		08/2008		36.06
03/07/2008	66006	CALIF ELECTRIC SUPPLY	609				60.34
408-1920-519.20-06	02/07/2008	FACADE IMPROVEMENT	1069-558369	080890	08/2008		60.34
03/07/2008	66007	CALIFORNIA MUNICIPAL TREASURES	652				155.00
101-1210-413.20-06	03/04/2008	CMTA ANNUAL M/SHIP DUES	73400		09/2008		155.00
03/07/2008	66008	CDW GOVERNMENT INC	725				871.99
503-1923-419.50-04	02/20/2008	CREDIT MEMO JLK5334	GLW1052	080210	08/2008		1,291.93-
503-1923-419.30-01	02/04/2008	IPSWITCH	JHH0999	080884	08/2008		2,163.92
03/07/2008	66009	CHULA VISTA ALARM & MONITORING	797				30.00
101-1910-419.20-23	03/01/2008	ALARM MONITORING SERV.	7133	080098	09/2008		30.00
03/07/2008	66010	COLE OFFICE PRODUCTS INC	1400				70.73
101-5020-432.30-01	02/06/2008	OFFICE SUPPLY	275182-0	080595	08/2008		70.73
03/07/2008	66011	COLONIAL LIFE & ACCIDENT	941				128.43
101-0000-209.01-13	03/06/2008	PPE 2/28/08 BCN E9498114	9498114-0302921		09/2008		128.43
03/07/2008	66012	COMMUNITY BUILDING SERVICES IN	1653				266.30
405-1260-413.20-06	01/22/2008	CONSULTING & MEETING	6191	080891	07/2008		266.30
03/07/2008	66013	CONSTRUCTION RESIDUE RECYCLING	1009				200.00
101-5010-431.29-04	02/29/2008	CONCRETE DUMP FEES	974755	080149	07/2008		200.00
03/07/2008	66014	CORPORATE EXPRESS OFFICE	1038				607.37
101-5020-432.30-01	02/05/2008	OFFICE SUPPLIES	200633017	080771	08/2008		242.07
101-1210-413.30-01	01/31/2008	OFFICE SUPPLIES	84884067	080095	07/2008		365.30
03/07/2008	66015	COUNTY OF SAN DIEGO (PW)	1440				25,320.00
601-5050-436.29-04	02/08/2008	CIB STORM WATER PROGRAM	PWCP-609	080876	08/2008		25,320.00
03/07/2008	66016	CREATIVE BENEFITS INC FSA	1108				353.84
101-0000-209.01-11	03/06/2008	PPE 2/28/08	20080306		09/2008		353.84
03/07/2008	66017	DAKOTA PUMP COMPANY	1125				720.58
601-5060-436.28-01	02/26/2008	GA VALVE PARTS	5013	080701	08/2008		720.58

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ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO # PER/YEAR	TRN AMOUNT
03/07/2008	66018	DEPARTMENT OF JUSTICE	1154		96.00
101-1130-412.21-04	02/11/2008	FINGERPRINT APPS	665082	080019 08/2008	96.00
03/07/2008	66019	DG LANDSCAPE	1167		3,750.00
101-5010-431.21-04	02/01/2008	LANDSCAPE MAINTENANCE	785	080258 08/2008	1,875.00
101-5010-431.21-04	03/01/2008	LANDSCAPE MAINTENANCE	809	080258 09/2008	1,875.00
03/07/2008	66020	EAGLE NEWSPAPER	1204		324.75
101-1020-411.28-07	02/14/2008	LEGAL ADVERTISING	37507	080441 08/2008	56.25
101-1020-411.28-07	02/28/2008	LEGAL ADVERTISING	37923	080441 08/2008	82.50
101-1230-413.28-07	02/07/2008	LEGAL ADVERTISING	37276	080888 08/2008	186.00
03/07/2008	66021	FABRICATED CONCEPTS	1853		2,669.50
408-1920-519.20-06	02/27/2008	FACADE IMPROVEMENT	IB-1002	080880 08/2008	2,669.50
03/07/2008	66022	FASTENAL	909		248.96
601-5060-436.30-02	01/25/2008	CONSTRUCTION SUPPLIES	CACHU15830	080073 07/2008	8.43
601-5060-436.30-02	03/04/2008	CONSTRUCTION SUPPLIES	CACHU16113	080073 09/2008	34.34
601-5060-436.30-02	02/14/2008	CONSTRUCTION SUPPLIES	CACHU15990	080073 08/2008	57.43
601-5060-436.30-02	01/17/2008	CONSTRUCTION SUPPLIES	CACHU15788	080073 07/2008	43.84
601-5060-436.30-02	01/28/2008	CONSTRUCTION SUPPLIES	CACHU15851	080073 07/2008	104.92
03/07/2008	66023	FASTSIGNS	1847		1,789.37
408-1920-519.20-06	02/26/2008	POST INSTALLATION&SIGN	NC237-15013	080886 08/2008	1,789.37
03/07/2008	66024	FEDERAL EXPRESS CORP.	911		46.16
502-1922-419.28-09	03/06/2008	EXPRESS SHIPMENT	256382635	08/2008	22.93
101-5020-432.28-09	03/06/2008	EXPRESS SHIPMENT	256382635	08/2008	23.23
03/07/2008	66025	GCR TIRE CENTERS	1702		357.73
501-1921-419.28-16	02/25/2008	TRANSFORCE AT TUBLE	43781	080153 08/2008	357.73
03/07/2008	66026	GRAINGER	1051		404.06
601-5060-436.28-01	02/22/2008	PUMP STATION HOUR METER	9573918027	080294 08/2008	175.16
601-5060-436.30-02	02/26/2008	OPERATIONS SUPPLY	9576744040	080294 08/2008	40.77
101-6020-452.28-01	01/15/2008	OPERATIONS SUPPLY	9544210363	080294 07/2008	188.13
03/07/2008	66027	HANSON AGGREGATES INC.	48		438.90
101-5010-431.30-02	02/14/2008	OPERATIONS SUPPLY	460430	080080 08/2008	438.90
03/07/2008	66028	I B FIREFIGHTERS ASSOCIATION	214		222.00
101-0000-209.01-08	03/06/2008	PPE 2/28/08	20080306	09/2008	222.00
03/07/2008	66029	ICMA RETIREMENT TRUST 457	242		7,124.70
101-0000-209.01-10	03/06/2008	PPE 02/28/08 GROUP 303087	20080306	09/2008	7,124.70
03/07/2008	66030	IDENTI-PORT INC	1812		20.00
101-1130-412.21-04	02/19/2008	BRICHOUX MICHAEL	1115	080024 08/2008	20.00
03/07/2008	66031	IPMA/ SAN DIEGO CHAPTER	402		20.00
101-1130-412.28-04	03/04/2008	IPMA-HR SEMINAR	03-03-04-2008	080020 09/2008	20.00

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ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO # PER/YEAR	TRN AMOUNT
03/07/2008	66032	J. SIMMS AGENCY	1883		1,250.00
101-1920-419.20-06	02/28/2008	PUBLIC RELATIONS SERVICES	2203	080431 08/2008	1,250.00
03/07/2008	66033	JACQUELINE M HALD	426		420.00
101-1020-411.11-08	12/19/2007	HEALTH CARE REIMBURSEMENT	12-19-2007	080879 06/2008	420.00
03/07/2008	66034	JESSOP & SON LANDSCAPING	479		2,960.90
101-6010-451.21-04	03/01/2008	LANDSCAPING & MAINTENANCE	388306	080201 09/2008	2,960.90
03/07/2008	66035	KEYSER MARSTON ASSOC INC	620		2,566.89
405-1260-413.20-06	02/11/2008	PROF.SERV 01/01/-01/31/08	0017315	080320 08/2008	2,566.89
03/07/2008	66036	MARLOWE & COMPANY	893		3,350.00
405-1260-413.20-06	02/10/2008	PROFESSIONAL SERVICES	08-229-02	080887 08/2008	3,350.00
03/07/2008	66037	MICHAEL SYLVIA	2		50.00
101-0000-121.00-00	02/27/2008	PT 39700	MR Refund	08/2008	50.00
03/07/2008	66038	MICHAL PIASECKI CONSULTING	1795		6,975.00
101-1920-532.20-06	03/04/2008	PROFESSIONAL SERVICES	40	080178 09/2008	1,296.00
101-5010-431.20-06	03/04/2008	PROFESSIONAL SERVICES	40	080178 09/2008	2,115.00
101-5020-432.20-06	03/04/2008	PROFESSIONAL SERVICES	40	080178 09/2008	450.00
405-1260-513.20-06	03/04/2008	PROFESSIONAL SERVICES	40	080178 09/2008	567.00
601-5060-536.20-06	03/04/2008	PROFESSIONAL SERVICES	40	080178 09/2008	1,377.00
601-5060-536.20-06	03/04/2008	PROFESSIONAL SERVICES	40	080178 09/2008	1,170.00
03/07/2008	66039	MME EVENT PRODUCTIONS INC	1701		90.00
101-1920-419.21-04	02/25/2008	STUFF ANIMALS FOR GAME GI	01076	F08096 08/2008	90.00
03/07/2008	66040	PERVO PAINT CO.	8		2,589.77
101-5010-431.21-23	02/22/2008	PAINT SUPPLY	13803	080136 08/2008	899.22
101-5010-431.21-23	02/26/2008	WORK SUPPLIES	13816	080136 08/2008	1,367.62
101-5010-431.21-23	03/04/2008	WHITE MAX SPEC 5G	13858	080136 09/2008	322.93
03/07/2008	66041	PITNEY BOWES INC(INVOICE PAYME	271		206.88
101-1920-419.28-09	03/03/2008	PITNEY BOWES RENTAL CHARG	789309	080413 09/2008	206.88
03/07/2008	66042	PRUDENTIAL OVERALL SUPPLY	72		325.54
101-5020-432.25-03	02/27/2008	OVERALL SUPPLY	7862115	080180 08/2008	162.77
101-5020-432.25-03	03/05/2008	OVERALL SUPPLY	7891336	080180 09/2008	162.77
03/07/2008	66043	QWIK PRINTS	1622		20.00
101-1130-412.21-04	01/03/2008	GONZALEZ,A / LIVE SCAN	08611040	080022 07/2008	20.00
03/07/2008	66044	SDGE	289		4,921.44
405-1260-513.20-06	02/29/2008	0000 496 4629 01/29-02/28	03-21-2008	09/2008	77.60
101-6020-452.27-01	03/03/2008	0175 275 3776 01/30-02/29	03-18-2008	09/2008	259.66
101-5010-431.27-01	02/29/2008	0646 753 1938 01/29-02/28	03-15-2008	09/2008	9.10
101-5010-431.27-01	02/29/2008	1694 231 2432 01/29-02/28	03-15-2008	09/2008	23.52

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ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT
101-5010-431.27-01	02/27/2008	1912 409 2723 01/25-02/26	03-13-2008		09/2008	9.10
101-6020-452.27-01	03/03/2008	2081 689 1273 01/30-02/29	03-18-2008		09/2008	208.41
101-6010-451.27-01	03/03/2008	2081 689 7619 01/30-02/29	03-18-2008		09/2008	303.06
101-6010-451.27-01	03/03/2008	2081 692 3399 01/30-02/29	03-18-2008		09/2008	22.94
101-6020-452.27-01	03/03/2008	2083 847 9032 01/30-02/29	03-18-2008		09/2008	71.26
101-5010-431.27-01	03/03/2008	2741 969 9359 01/31-02/29	03-18-2008		09/2008	129.76
215-6026-452.27-01	03/03/2008	2819 871 6315 01/31-02/29	03-18-2008		09/2008	1,830.36
101-5010-431.27-01	02/29/2008	3062 843 3719 01/29-02/28	03-15-2008		09/2008	11.25
101-6010-451.27-01	03/03/2008	3206 700 9265 01/30-02/29	03-18-2008		09/2008	43.23
101-5010-431.27-01	02/29/2008	3448 930 9646 01/29-02/28	03-15-2008		09/2008	9.23
101-5010-431.27-01	02/27/2008	5280 340 6641 01/25-02/26	03-13-2008		09/2008	146.17
101-6020-452.27-01	03/03/2008	5456 692 8951 01/30-02/29	03-18-2008		09/2008	48.73
101-5010-431.27-01	02/27/2008	5576 188 0541 01/25-02/26	03-13-2008		09/2008	9.10
101-6020-452.27-01	03/03/2008	6921 003 2109 01/30-02/29	03-18-2008		09/2008	359.97
101-5010-431.27-01	03/03/2008	7706 795 7872 01/30-02/29	03-18-2008		09/2008	11.25
601-5060-436.27-01	02/29/2008	8773 823 6424 01/29-02/28	03-15-2008		09/2008	1,020.04
101-6020-452.27-01	03/03/2008	9327 898 1346 01/30-02/29	03-18-2008		09/2008	257.49
101-6010-451.27-01	03/03/2008	9956 693 6272 01/30-2/29	03-18-2008		09/2008	60.21
03/07/2008	66045	SEIU LOCAL 221	1821			1,238.43
101-0000-209.01-08	03/06/2008	PPE 2/28/08	20080306		09/2008	1,238.43
03/07/2008	66046	SHARP REES-STEALY MEDICAL CNTR	390			39.00
101-6040-454.21-04	02/09/2008	CAMPBELL,R DRUG SCREEN	197	080028	08/2008	39.00
03/07/2008	66047	SKS INC.	412			11,213.38
501-1921-419.28-15	02/19/2008	1094GAL UNL	1216551-IN	080151	08/2008	3,497.80
501-1921-419.28-15	02/22/2008	800GAL UNL GASOLINE	1216604-IN	080151	08/2008	2,706.65
501-1921-419.28-15	02/28/2008	395GAL DIESEL&1100GAL UNL	1216727-IN	080151	08/2008	5,008.93
03/07/2008	66048	SOUTH COAST PRINTING & SIGN	1704			334.15
101-1130-412.28-11	02/04/2008	10PACKS OF ENVELOPES	0464	080807	08/2008	334.15
03/07/2008	66049	SPRINT	497			493.12
101-1020-411.27-05	02/26/2008	0626824596-7 01/26-02/25	03-07-2008		08/2008	73.25
101-1230-413.27-05	02/26/2008	0626824596-7 01/26-02/25	03-07-2008		08/2008	76.08
101-3020-422.27-05	02/26/2008	0626824596-7 01/26-02/25	03-07-2008		08/2008	74.05
101-3020-422.27-05	02/26/2008	0626824596-7 01/26-02/25	03-07-2008		08/2008	73.25
503-1923-419.30-02	02/26/2008	0626824596-7 01/26-02/25	03-07-2008		08/2008	123.23
101-5020-432.27-05	02/26/2008	0626824596-7 01/26-02/25	03-07-2008		08/2008	73.26
03/07/2008	66050	STEWART TITLE OF CALIFORNIA	1922			1,000.00
405-1260-413.20-06	11/27/2007	PRELIMINARY REPORT	061201	080878	05/2008	500.00
405-1260-413.20-06	11/27/2007	PRELIMINARY REPORT	61247	080878	05/2008	500.00
03/07/2008	66051	THE BRIDGE	1539			3,750.00
101-1920-419.20-06	03/05/2008	IB TV PROJECT	012207		09/2008	3,750.00
03/07/2008	66052	TRAFFIC CONTROL SERVICE INC.	684			311.22
101-5010-431.21-23	03/03/2008	TRAFFIC CONTROL SERVICE	838264	080598	09/2008	311.22

PREPARED 03/10/2008, 16:23:48  
PROGRAM: GM350L  
CITY OF IMPERIAL BEACH

A/P CHECKS BY PERIOD AND YEAR  
FROM 02/15/2008 TO 03/08/2008

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BANK CODE 00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
03/07/2008	66053	UNITED WAY OF SAN DIEGO COUNTY	1483			25.00	
101-0000-209.01-09	03/06/2008	PPE 2/28/08	20080306		09/2008	25.00	
DATE RANGE TOTAL *						772,623.99 *	



**STAFF REPORT  
CITY OF IMPERIAL BEACH**

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** GARY BROWN, CITY MANAGER

**MEETING DATE:** MARCH 19, 2008

**ORIGINATING DEPT.:** ASSISTANT CITY MANAGER, TOM RITTER 

**SUBJECT:** ADOPT RESOLUTION NO. 2008-6604 APPROVING THE PURCHASE OF SPORTS PARK LIGHTING CONTROLLERS AND 10 YEAR SERVICE AGREEMENT AND TRANSFERRING \$10,250 FROM UNDESIGNATED GENERAL FUND RESERVES FOR THIS PURPOSE

---

**BACKGROUND:**

Currently the City has lights illuminating fields A, B, C, and D at the Sports Park. The manual controllers for fields A, B, and C are located in a utility room next to the west parking lot bathrooms and the manual controllers for field D are located in a utility room next to the new bathrooms on the south side of the park. Every time these lights are turned on or off someone has to manually go to these locations and flip the necessary switches. Installing a remote controller to control these two locations will save staff time and help eliminate unnecessary energy usage when fields are not in use.

**DISCUSSION:**

Sports Park staff currently works with users of the lighted ballfields at Sports Park to pre-schedule when lights will be provided. However, it is often the case that teams do not show up when scheduled or leave earlier than originally planned thus leaving the lights on when no one is actually using them. Staff tries to monitor this situation but there are times when lights are turned on and no one is on the fields.

Each time staff has to manually turn on or off the lights it takes approximately 10-15 minutes to walk to each location, unlock the door to the utility rooms, and flip the appropriate switches. As we have minimal staffing at Sports Park, staff time away from the building impacts the programs and oversight provided in the Sports Park gym, teen room, and music room. With the Musco Control-Link system we can provide remote access to the lights by certain approved users to eliminate the times when the lights are on but not being used.

Installation of the Musco Control-Link system will provide the following benefits:

- save staff time by allowing the lights to be controlled remotely
- save energy by making it easier and quicker to turn lights on/off
- allows lights to be controlled 24/7 via the internet, e-mail, phone or fax

The \$10,209.31 cost of installation and monitoring services includes installation of the remote equipment controllers with up to eight zones (5 year guarantee on equipment) and a ten (10) year monitoring service agreement (24/7 toll free access to customer scheduling operators and website access).

This is a sole source project as the lighting equipment to be controlled was manufactured by Musco and the controllers are made to expressly work with Musco lighting equipment.

**ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

**FISCAL IMPACT:**

The Musco Control-Link equipment, installation, and ten (10) year service agreement costs \$7,500 with additional trenching, conduit and wiring to connect the two switch sites to cost \$1,975. The total cost of the project will not exceed \$10,250 and is available in Undesignated General Fund Reserves.

**DEPARTMENT RECOMMENDATION:**

Adopt Resolution No. 2008-6604 approving the purchase of Sports Park lighting controllers and a ten year service agreement and transferring \$10,250 from Undesignated General Fund Reserves for this purpose.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department recommendation.

  
\_\_\_\_\_  
Gary Brown, City Manager

Attachments:

1. Resolution No. 2008-6604
2. Musco Lighting quote and Control-Link product description

## RESOLUTION NO. 2008-6604

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVING THE PURCHASE OF SPORTS PARK LIGHTING CONTROLLERS AND 10 YEAR SERVICE AGREEMENT AND TRANSFERRING \$10,250 FROM UNDESIGNATED GENERAL FUND RESERVES FOR THIS PURPOSE**

The City Council of the City of Imperial Beach does hereby resolve as follows:

**WHEREAS**, the installation of a remote control lighting system at Sports Park will save staff time by allowing the lights to be controlled remotely, save energy by making it easier and quicker to turn lights on/off, and allow the Sports Park lights to be controlled 24 hours a day 7 days a week via the internet, e-mail, phone or fax; and

**WHEREAS**, the staff time savings, energy savings, and convenience warrant the purchase of a remote control lighting system for fields A, B, C, and D at the Sports Park ;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Imperial Beach:

1. That the above recitations are true and correct.
2. Approves the purchase of a remote control lighting system for fields A, B, C, and D at Sports Park.
3. Authorizes amending FY 07-08 budget as follows in order to provide \$10,250 in funds for this purpose:

<u>FY 2007-08</u>	<u>Budget Code</u>	<u>Department Description</u>	<u>Amount</u>
Transfer from:	101-0000-253-00-00	Undesignated General Fund Reserve	\$10,250
Transfer to:	101-6020-452-50-04	Parks Maintenance	\$10,250

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Imperial Beach at its meeting held on the 19<sup>th</sup> day of March 2008, by the following roll call vote:

**AYES: COUNCILMEMBERS:**  
**NOES: COUNCILMEMBERS:**  
**ABSENT: COUNCILMEMBERS:**

\_\_\_\_\_  
**JAMES C. JANNEY, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**JACQUELINE M. HALD, CMC**  
**CITY CLERK**

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2007-6604 – A Resolution of the City Council of the City of Imperial Beach, California APPROVING THE PURCHASE OF SPORTS PARK LIGHTING CONTROLLERS AND 10 YEAR SERVICE AGREEMENT AND TRANSFERRING \$10,250 FROM UNDESIGNATED GENERAL FUND RESERVES FOR THIS PURPOSE.

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
DATE



100 1st Ave West ● PO Box 808 ● Oskaloosa, LA 52577  
Phone: (800) 825-6020 ● Fax: (888) 397-8736

February 25, 2008

City of Imperial Beach  
Attn: James Coates  
425 Imperial Beach Blvd  
Imperial Beach, CA 91932

Re: Control-Link Cost Estimate – Imperial Beach Sports Park

Dear James,  
Here is the Control-Link Estimate that you requested for Imperial Beach Sports Park. This quote includes the following...

Equipment

- (1) Remote Equipment Controllers (REC's)
- (Up to 8) Remote Off/On Auto Switches (*Zones MUST be identified at time of order*)
- (1) Remote Switch Box
 

Zone 1: SB-A	Zone 2: SB-B
Zone 3: SB-C	Zone 4: SB-D
Zone 5: MP-A&B	Zone 6: ??
Zone 7: ??	Zone 8: ??
- 5 year equipment/2 year labor warranty
- All freight costs

Equipment Price \$6,000.00

Equipment Installation

- Turnkey installation of all components by Musco Technicians
- Activation and testing of systems to ensure all units are fully functional and operational

Installation Price \$1,500.00

10 Years Control Link Central Service (CLC) (Includes Service Fees for 10 Years)

- 24/7 toll free access to CLC customer scheduling operators
- Access to Musco Control Link Scheduling Website
- REC operations and Website Training for your scheduling staff

Additional Labor and materials provided by Ace Electric @ \$1,975.00 per the Scope below:

“We will provide all material, labor and equipment to move the switching for ballfield D to the same location as the switching for ballfields A, B &C so that Musco Sports Lighting can install their Control Link system”.

***Price assumes contactors exist. If contactors are required, they can be purchased at an additional cost to be installed by others.***

**Total Equipment & Turnkey Installation with 10 years of Service: \$9,475.00\***



100 1<sup>st</sup> Ave West ● PO Box 808 ● Oskaloosa, IA 52577  
Phone: (800) 825-6020 ● Fax: (888) 397-8736

\*Please add applicable sales tax. Freight has been included.

Please feel free to call me to discuss any questions or concerns that you may have.

Sincerely,

A handwritten signature in cursive script that reads "Stan Herr".

Stan Herr  
Lighting Services Sales Representative  
Musco Lighting



Company Overview

Permanent Lighting

Temporary Lighting

Project Showcase

News & Events

Televised Events

Contact Us

Request Information

Search Musco.com for:

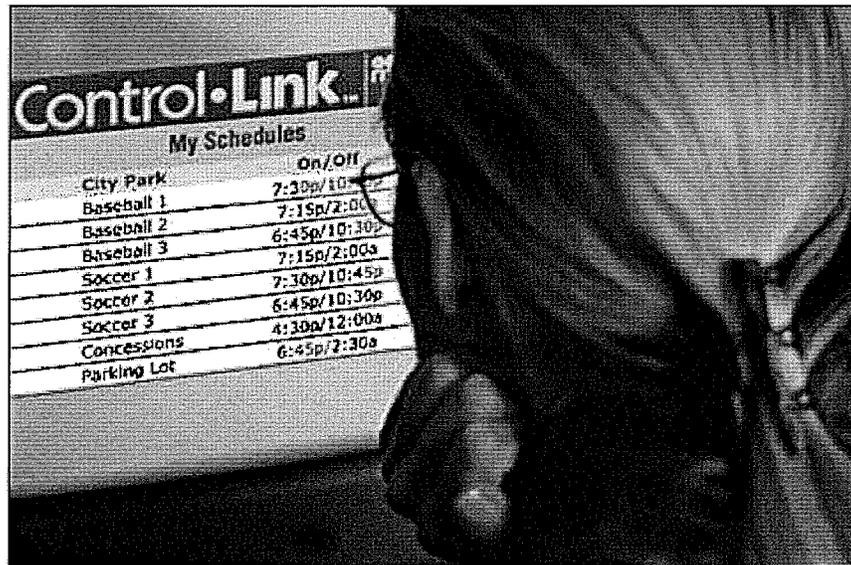
Go

- Lightline newsletter
- Give us your feedback
- Employment
- Replacement Parts & Service

## Permanent Lighting

### Control-Link.

Flexible Control - Solid Management  
Automated Scheduling System



You can manage your Control-Link® system from anywhere you have access to a phone or the Internet. The Control-Link Central™ team is available 24 hours per day, 7 days per week to provide assistance or control switches for you.

With cities and needs growing faster than ever, it's critical for city planners, facility managers and park and recreation departments to maximize their available resources and make solid decisions about managing and expanding their facilities.

Musco's Control-Link® is a reliable, cost-effective system to control and manage your recreational facilities. The system controls sports lighting, cameras, motion sensors, security lighting, doors, gates and any other device that can be electrically or electronically operated.

Control-Link Central™ provides two options for management and control of your facilities:

- Directly manage schedules using the web-based system
- Talk to full-time Control-Link Central support staff



Control-Link Central staff are always available to provide support.

Control-Link Central is located at Musco's home office and is available to you, 24/7, via Internet, e-mail, phone or fax.

**Benefits of Control-Link®:****Saves Energy and Staff Cost**

- Operates lights only when needed
- Curtails public concerns about lights on when field not in use
- Reduces staff legwork to travel field to field

**Allows Flexible Control**

- Easy scheduling via Internet, e-mail, phone or fax
- Allows schedule override and on-site manual control
- Controls electronic devices such as sports lighting, cameras, motion sensors, security lighting, doors and gates

**Improves Management Tools**

- Saves time overseeing facility operation, scheduling staff and planning routine maintenance
- Provides historical information for equipment operation/facility usage
- Provides usage data for charging user fees, increasing revenues

**Increases Security**

- Uses passwords instead of keys; passwords easily cancelled
- Reduces vandallsm for unsupervised facilities
- Saves labor for on-site security personnel

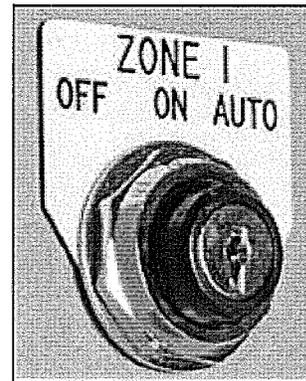
**Provides Reliable Operation**

- Assures trouble-free operation with centralized support
- Saves schedules and maintains time clock in case of power outage or fluctuations
- Confirms on/off switching schedule with two-way messaging

Learn how three cities have already experienced significant operating cost savings and improved community service.

Control-Link Management Report	
Hours of Use	
Stadium 1	75
Stadium 2	87
Stadium 3	96
Stadium 4	85
Stadium 5	72
Stadium 6	78
Stadium 7	82

Control-Link enables park officials to track lighting usage by park, field and user.



System is designed for long-term scheduling, but with the flexibility to switch lights on or off immediately.

**Control-Link is available for these Musco systems:****Light-Structure Green™**

A complete sports-lighting system designed and manufactured from the foundation to poletop in 5 Easy Pieces™

**Retrofit & Indoor Applications**

Light-Structure Green's modular photometric unit can be used to perform from your choice of structures – makes retrofit of old equipment easy

**Light-Pak™ System**

Energy-efficient indoor lighting

Control-Link can be added to existing non-Musco lighting systems.

**800/825-6030**  
(1) 641/673-0411

[Musco Home Page](#)



**STAFF REPORT  
CITY OF IMPERIAL BEACH**

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**FROM:** GARY BROWN, CITY MANAGER  
**MEETING DATE:** MARCH 19, 2008  
**ORIGINATING DEPT.:** PUBLIC WORKS  
**SUBJECT:** RESOLUTION INITIATING PROCEEDINGS FOR THE ANNUAL LEVY OF ASSESSMENTS AND ORDERING THE PREPARATION OF AN ENGINEER'S "REPORT" FOR A SPECIAL ASSESSMENT DISTRICT – AD 67M

---

**BACKGROUND:**

At the regular scheduled meeting on June 17, 1992, City Council approved and adopted Resolution 92-4130, which formed a Special Assessment District pursuant to the "Lighting and Landscaping Act of 1972" (AD-67M). The purpose of the Assessment District was to pay for the construction and operation and maintenance of streetlights on Highway 75.

**DISCUSSION:**

The proposed Resolution is the formal action of the City Council ordering the preparation of the required Engineer's "Report" for the annual levy of assessments. The proposed assessments are for the purpose of paying San Diego Gas and Electric operating and maintenance expenses of the new street lighting on Highway 75/Palm Avenue. The operating and maintenance will consist of energy costs, lamp maintenance, replacement of light standards as required, and San Diego Gas and Electric ownership costs.

**ENVIRONMENTAL IMPACT**

Not a project as defined by CEQA.

**FISCAL IMPACT:**

None

**DEPARTMENT RECOMMENDATION:**

Approve and adopt the proposed resolution.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department recommendation

Gary Brown, City Manager

**Attachments:**

1. Resolution No. 2008-6597



RESOLUTION NO. 2008-6597

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, INITIATING PROCEEDINGS FOR THE ANNUAL LEVY OF ASSESSMENTS AND ORDERING THE PREPARATION OF AN ENGINEER'S "REPORT" FOR A SPECIAL ASSESSMENT DISTRICT (AD-67M)**

The City Council of the City of Imperial Beach does hereby resolve as follows:

**WHEREAS**, the City Council of the City of Imperial Beach, California has previously formed a special assessment district pursuant to the terms of the "Landscaping and Lighting Act of 1972", being Division 15, Part 2 of the Streets and Highways Code of the State of California, said special assessment district known and designated as ASSESSMENT DISTRICT NO. 67-M (hereinafter referred to as the "Assessment District"); and

**WHEREAS**, at this time the City Council is desirous to take proceedings to provide for the annual levy of assessments for the next ensuing fiscal year to provide for the annual costs for maintenance of improvements within the Assessment District.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Imperial Beach as follows:

RECITALS

SECTION 1. That the above recitals are all true and correct.

DECLARATION OF INTENTION

SECTION 2. That the public interest and convenience requires, and it is the intention of this legislative body to initiate proceedings for the annual levy and collection of special assessments for the payment of annual maintenance and/or servicing costs within the Assessment District.

No new improvements or any substantial changes in existing improvements or zones are proposed as a part of these proceedings.

REPORT OF ENGINEER

SECTION 3. That this improvement is hereby referred to the ASSESSMENT ENGINEER, who is hereby directed to make and file the "Report" generally containing the following:

- A. Plans and specifications describing the general nature, location and extent of the improvements to be maintained;
- B. An estimate of the cost of the maintenance and/or servicing of the improvements for the Assessment District for the referenced fiscal year;
- C. A diagram for the Assessment District, showing the area and properties proposed to be assessed;

D. An assessment of the estimated costs of the maintenance and/or servicing, assessing the net amount upon all assessable lots and/or parcels within the Assessment District in proportion to the benefits received.

SECTION 4. That upon completion of the preparation of said "Report", the original shall be filed with the City Clerk, who shall then submit the same to this legislative body for its immediate review and consideration.

FISCAL YEAR

SECTION 5. That the above "Report" shall include all costs and expenses of said maintenance and/or servicing relating to the fiscal year commencing July 1, 2008 and ending June 30, 2009.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Imperial Beach at its meeting held on the 19<sup>th</sup> of March 2008, by the following roll call vote:

**AYES: COUNCILMEMBERS:**  
**NOES: COUNCILMEMBERS:**  
**ABSENT: COUNCILMEMBERS:**

JAMES C. JANNEY, MAYOR

**ATTEST:**

JACQUELINE M. HALD  
**CITY CLERK**

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2008-6597 – A Resolution Initiating Proceedings for the Annual Levy of Assessments and Ordering the Preparation of an Engineer's "Report" for a Special Assessment District (AD-67M)

CITY CLERK

DATE



**STAFF REPORT  
CITY OF IMPERIAL BEACH**

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** GARY BROWN, CITY MANAGER

**MEETING DATE:** MARCH 19, 2008

**ORIGINATING DEPT.:** PUBLIC WORKS

**SUBJECT:** RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE A CONTRACT WITH CATHOLIC CHARITIES, NON-PROFIT AGENCY, FOR TEMPORARY PURCHASE OF VEHICLE FUEL FROM THE CITY OF IMPERIAL BEACH

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**BACKGROUND:**

The City of Imperial Beach received a letter from Catholic Charities dated March 3, 2008, requesting assistance in providing fuel for five "hotshot" vehicles used to deliver meals to homebound seniors. See attachment 2. Catholic Charities has a purchasing agreement with South Bay Union School District for the purchase of vehicle fuels which has been honored by the South Bay Union School District until July 1, 2007. On July 1, 2007, South Bay Union School District fuel station was closed for renovations. The City of Imperial Beach honored a request by South Bay Union School District to supply fuel at cost for the two months of their fuel station renovation. Subsequently, South Bay Union School District extended their service agreement with the City due to their new station not meeting the current APC standards. The current fuel support agreement with South Bay Union School District extends through June 30, 2008. Since the closure of the South Bay Union School District fuel station, Catholic Charities has purchased fuel on the open market at a cost substantially higher than the fuel costs paid through the South Bay Union School District supplier and the City of Imperial Beach supplier.

**DISCUSSION:**

Staff has reviewed the Catholic Charities request and has determined that the City's system can support the additional vehicle fuel requirements without a measurable impact on City staff or fuel supplies.

**ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

**FISCAL IMPACT:**

Impact is not significant. The primary impact will be the cost of recording and billing for the fuel dispensed.

**DEPARTMENT RECOMMENDATION:**

1. Receive this report.
2. Consider Catholic Charities request for fuel supply services.
3. Authorize the City Manager to sign a fuel services agreement with Catholic Charities to run consistent with the fuel services agreement with South Bay Union School District. The costs billed are to be for the direct fuel costs dispensed from the City of Imperial Beach fueling station.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department recommendation.

  
\_\_\_\_\_  
Gary Brown, City Manager

Attachments:

1. Resolution No. 2008-6599
2. Catholic Charities letter dated March 3, 2008

**RESOLUTION NO. 2008-6599**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO NEGOTIATE A CONTRACT WITH CATHOLIC CHARITIES, NON-PROFIT AGENCY, FOR TEMPORARY PURCHASE OF VEHICLE FUEL FROM THE CITY OF IMPERIAL BEACH**

**WHEREAS**, the City of Imperial Beach received a letter from Catholic Charities dated March 3, 2008, requesting assistance in providing fuel for five "hotshot" vehicles used to deliver meals to homebound seniors; and

**WHEREAS**, Catholic Charities has a purchasing agreement with South Bay Union School District for the purchase of vehicle fuels which has been honored by the South Bay Union School District until July 1, 2007; and

**WHEREAS**, on July 1, 2007, South Bay Union School District fuel station was closed for renovations; and

**WHEREAS**, the City of Imperial Beach honored a request by South Bay Union School District to supply fuel at cost for the two months of their fuel station renovation; and

**WHEREAS**, South Bay Union School District extended their service agreement with the City due to their new station not meeting the current APC standards; and

**WHEREAS**, the current fuel support agreement with South Bay Union School District extends through June 30, 2008; and

**WHEREAS**, staff has reviewed the Catholic Charities request and has determined that the City's system can support the additional vehicle fuel requirements without a measurable impact on City staff or fuel supplies.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Imperial Beach as follows:

1. The above recitals are true and correct.
2. This legislative body approves of the fuel support request from Catholic Charities.
3. The City Manager is authorized to enter into a fuel services agreement with Catholic Charities for the purpose of providing fuel at cost coincident with the fuel support agreement with South Bay Union School District.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Imperial Beach at its meeting held on the 19th day of March 2008, by the following roll call vote:

**AYES: COUNCILMEMBERS:**  
**NOES: COUNCILMEMBERS:**  
**ABSENT: COUNCILMEMBERS:**

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**JAMES C. JANNEY, MAYOR**

ATTEST:

\_\_\_\_\_  
JACQUELINE M. HALD, CMC  
CITY CLERK

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be a true and correct copy of Resolution No. 2008-6599– A Resolution of the City Council of the City of Imperial Beach, California, Authorizing the City Manager to Negotiate a Contract with Catholic Charities, Non-Profit Agency, for Temporary Purchase of Vehicle Fuel From the City of Imperial Beach

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
DATE

**CATHOLIC CHARITIES***Administration*

March 3, 2008

Mr. Hank Levien, Director of Public Works  
City of Imperial Beach

Dear Mr. Levien,

On behalf of the Senior Nutrition Program of Catholic Charities, Diocese of San Diego, I would like to request the assistance of the City of Imperial Beach in obtaining fuel for the five vehicles in our fleet that are used to deliver meals to homebound seniors. These vehicles are known as "hotshots", which are ½ to ¾ ton Dodge or Chevy trucks with a heating/refrigeration unit mounted on the chassis.

These vehicles are owned by San Diego County and operated by our agency to serve the nutritional needs of seniors in South Bay, including Imperial Beach. Our program currently serves a daily hot lunch to 41 homebound, disabled seniors over the age of 60 who reside in the City of Imperial Beach, in addition to the 118 Imperial Beach residents who attend our congregate dining site at St. Charles parish.

Prior to July 1, 2007, our agency purchased the gas for these vehicles from the South Bay School District. Due to renovations and then problems with the pumping system at South Bay, we were unable to continue obtaining fuel from this source. We were forced to seek an alternative source from the market place. The adverse financial impact of this development on our budget, especially as fuel prices continue to rise, has been and remains substantial. We are once more in need of finding an alternative.

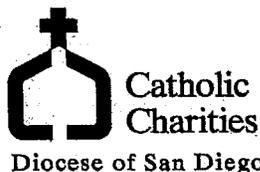
It has come to my attention that the South Bay School District has been securing its fuel from the City of Imperial Beach since its own operations have been shut down. Since our need in terms of weekly volume is not significant, I am requesting if it might be possible for our agency to obtain our fuel from the City of Imperial Beach as well, at least until South Bay's system is returned to operational status.

Based on gas receipt records, our total need for fuel fluctuates from 85 to 125 gallons per week of regular unleaded gas, with each vehicle refueling between 1 and 2 times per week. Catholic Charities is willing to enter into an Agreement with the City of Imperial Beach that defines the terms and conditions of our access to your fueling station, and we assure timely payment of all invoices for fuel used.

Given our agency's service to a vulnerable population in the City of Imperial Beach and given the limited nature of our request, I am hopeful that this communication will receive favorable review and approval. I am willing to provide whatever additional information the City of Imperial Beach may require, either in writing or in person, to the City's staff or elected representatives.

Thank you for your assistance.

  
Robert J. Moser, Ph.D.  
Deputy Director







AGENDA ITEM NO. 4.1

**STAFF REPORT  
IMPERIAL BEACH REDEVELOPMENT AGENCY**

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** GARY BROWN, CITY MANAGER

**MEETING DATE:** MARCH 19, 2008

**ORIGINATING DEPT.:** COMMUNITY DEVELOPMENT DEPARTMENT  
GREG WADE, DIRECTOR  
GERARD E. SELBY, REDEVELOPMENT COORDINATOR 

**SUBJECT:** SECOND READING OF AN ORDINANCE APPROVING AND ADOPTING THE THIRD AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE PALM AVENUE/ COMMERCIAL REDEVELOPMENT PROJECT AREA PERTAINING TO THE ORIGINAL PROJECT AREA

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**BACKGROUND**

In June 2007, the Imperial Beach Redevelopment Agency ("Agency"), pursuant to Health and Safety Code section 33333.2(a)(4), initiate the process to extend the time limit for the Agency to commence eminent domain action on properties on which no persons lawfully reside within the Palm Avenue/Commercial Redevelopment Project Area by twelve (12) years, beginning from the date of adoption of the ordinance by the Imperial Beach City Council ("City Council") approving the proposed Third Amendment to the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project ("Proposed Amendment").

The Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project ("the Original Project Area") was adopted on February 7, 1996; by the adoption of Ordinance No. 96-901 and was amended in July 2001 by the City Council by the adoption of Ordinance No. 2001-970 which added new territory to the Original Project Area ("the Amendment Area"). The Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project was again amended by the City Council in December 2006 by the adoption of Ordinance No. 2006-1050, clarifying that the amendment to the Redevelopment Plan under Ordinance No. 2001-970 added the Amendment Area to the Original Project Area and was not intended to add a new project area by its own terms.

In accordance with Section 308 of the Redevelopment Plan for the Original Project Area ("Section 308"), the Agency has authority to acquire real property, as follows:

The Agency may, but is not required to, purchase, lease, obtain option upon or otherwise acquire any interest in real property by gift, devise, exchange, purchase, lease, by the use of eminent domain, or any other means authorized by law. The Agency shall not have the power to acquire by eminent domain real

property on which any persons reside. As used in this Section, the "property on which any persons reside" shall mean that one or more persons reside on the property with the express consent of the property owner.

The Agency shall not have the power to acquire by eminent domain real property outside the [Original Project Area].

No eminent domain proceeding to acquire property within the [Original Project Area] shall be commenced after twelve (12) years following adoption of the ordinance [adopting the Original Redevelopment Plan]. Such time limitation may be extended only by amendment of the [Original Redevelopment Plan].

The Agency's ability to commence eminent domain actions within the Original Project Area thus expired twelve (12) years from adoption of Ordinance No. 96-901.

Health and Safety Code section 33333.2(a)(4) allows the extension of eminent domain powers by an amendment to the Redevelopment Plan for the Original Project Area after the Agency finds, based on substantial evidence, both of the following:

- (A) That significant blight remains within the project area.
- (B) That this blight cannot be eliminated without the use of eminent domain.

The Draft Report to Council prepared by Keyser Marston Associates presents substantial evidence that significant blight remains within the Original Project Area and that this blight cannot be eliminated without the Agency's use of eminent domain. The adoption of the Proposed Amendment to extend the time for commencement of eminent domain powers by twelve (12) years would allow the Agency to implement its existing redevelopment goals to eliminate blight within the Original Project Area, as stated in the Redevelopment Plan and in the 5 Year Implementation Plan adopted by the City Council sitting as the Agency Board on March 2, 2005.

State law (Health and Safety Code sections 33346 and 33347) requires that before the Proposed Amendment is submitted to the City Council for consideration, the Proposed Amendment must be submitted to the Planning Commission for its report and recommendation concerning the Proposed Amendment and its conformity with the Imperial Beach General Plan and Local Coastal Plan. The City Council, sitting as the Imperial Beach Planning Commission, reviewed and considered the Proposed Amendment on January 20, 2008 and found it to be in conformity with the Imperial Beach General Plan and Local Coastal Plan. The City Council adopted the Agency staff report as the report and recommendation of the Planning Commission at the January 20, 2008 meeting and recommended approval of the Proposed Amendment. At a concurrent meeting of the Agency and City on January 20, 2008, the City Council consented to a joint public hearing for the Proposed Amendment on February 20, 2008 and authorized Agency staff to publish and mail the notices required for the joint public hearing in accordance with law.

At the end of January, staff discovered that staff inadvertently omitted mailing notices of the February 20 public hearing to some residents, businesses, and tenants within the Amendment Area. Staff consulted with the Redevelopment Agency Special Legal Counsel on proper course of action. The Special Legal Counsel recommended that Staff mail new notices only to the owners/residents/businesses inadvertently omitted from the first mailings, advising them that the hearing will be opened on the first noticed hearing date but continued to a second hearing date to give them an opportunity to present testimony/objections. The second set of notices was mailed on January 31, 2008. Staff requested that the second public hearing be held on March 5, 2008. The City Council conducted the public hearings on February 20th and March 5<sup>th</sup> of

2008 to give all owners, residents, and businesses within the Project Area at least thirty (30) days notice of the joint public hearing. The second set of notices specify that written and oral testimony will be allowed at both hearing dates.

The Redevelopment Agency staff held a Community Meeting on the Proposed Third Amendment to the Palm Avenue Commercial Redevelopment Pertaining to the original Project Area on February 7, 2008.

Susan Cola, Special Agency Counsel spoke to the legal issues of eminent domain and Denise Bickerstaff of Keyser Marston Associates, the Agency's Redevelopment Plan Amendment Consultant clarified the purpose of eminent domain in context of eliminating and preventing physical and economic blight.

Approximately 50 residents attended the meeting, several voiced concerns about whether the proposed extension of eminent domain powers will apply to residential property and the traffic congestion caused by increased development (particularly condo projects) within the Original Project Area.

Staff has received requests for information in the following manner: a letter from a property owner; a telephone message from the South Bay Union Elementary School District; and numerous telephone calls from residents and property and business owners. The Agency also received a letter of comments from the San Diego County of Education about the proposed Third Amendment to Palm Avenue/Commercial Redevelopment Project Area. The letters and staff's responses to requests for information are attached as Attachment 6.

On February 20, 2008, the City Council opened a Public Hearing on the 3<sup>rd</sup> Plan Amendment of the Palm/Commercial Project Area for the extension of eminent domain authority for an additional 12 years. The City Council received presentations from Susan Cola of Kane Ballmer & Berkman and Denise Bickerstaff of Keyser Marston and Associates and took comments from the community. The City Council continued the public hearing until March 5, 2008.

On March 5, 2008, the City Council continued the Public Hearing on the 3<sup>rd</sup> Plan Amendment of the Palm/Commercial Project Area for the extension of eminent domain authority for an additional 12 years. The City Council received presentations from Redevelopment Agency staff and took comments from the community. The City Council approved and adopted the Third Amendment to the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project Area for the extension of eminent domain authority for an additional 12 years. The City Council also set the matter for adoption at the next regularly scheduled City Council meeting, and authorize the publication of the Ordinance in a newspaper of General Circulation.

## **ENVIRONMENTAL IMPACT**

The Agency has conducted a secondary study to determine whether a subsequent or supplemental EIR is required pursuant to Section 21166 ("21166 Study"). The results of the 21166 Study indicate that the Proposed Amendment will not trigger any of the 21166 Events because the Proposed Amendment does not contemplate and will not result in any new programs or activities, or substantial changes to the Original Project Area. The City Council at the March 5, 2008 meeting adopted Resolution No. 2008-6593, a Resolution that the City Council has reviewed and considered the information in the Palm Avenue Commercial Environmental Impact Report and the 21166 Study with respect to the proposed Third Amendment to the Palm Avenue/Commercial Redevelopment Project pertaining to the Original Project Area

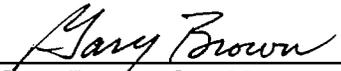
**DEPARTMENT RECOMMENDATIONS**

Staff recommends the Mayor and City Council:

1. Receive report;
2. Mayor calls for the reading of the title of Ordinance No. 2008-1066;
3. City Clerk reads the title of Ordinance No. 2008-1066, An Ordinance of the Council of the City Of Imperial Beach, California, Approving and Adopting the Third Amendment to the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project Area pertaining to the Original Project Area; and
4. Motion to dispense second reading and adopt Ordinance No. 2008-1066 by title only.

**EXECUTIVE DIRECTOR'S RECOMMENDATION:**

Approve Department recommendation.

  
\_\_\_\_\_  
Gary Brown, City Manager/Executive Director

**ATTACHMENTS**

1. Ordinance No. 2008-1066

**ORDINANCE NO. 2008-1066**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVING AND ADOPTING THE THIRD AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE PALM AVENUE/COMMERCIAL REDEVELOPMENT PROJECT AREA PERTAINING TO THE ORIGINAL PROJECT AREA**

The City Council of the City of Imperial Beach does hereby ordain as follows:

**WHEREAS**, on February 7, 1996, by adoption of Ordinance No. 96-901, the Imperial Beach City Council (the "City Council") approved a final Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project Area ("the Original Project Area"); and

**WHEREAS**, on July 18, 2001, by adoption of Ordinance No. 2001-970, the City Council added new territory to the Original Project Area ("the Amendment Area") and adopted Plan Amendment No. 1, pertaining only to the Amendment Area ("First Amendment"); and

**WHEREAS**, on December 20, 2006, by adoption of Ordinance No. 2006-1050, the City Council adopted a text amendment to the Redevelopment Plan, clarifying that the amendment to the Redevelopment Plan under Ordinance No. 2001-970 added the Amendment Area to the Original Project Area and was not intended to add a new project area by its own terms ("Second Amendment"); and

**WHEREAS**, the Original Project Area and Amendment Area shall be collectively referred to as "the Project Area," unless otherwise referenced separately herein; and

**WHEREAS**, the Redevelopment Agency of the City of Imperial Beach ("Agency") has formulated and prepared a proposed Third Amendment to the Redevelopment Plan Pertaining to the Original Project Area (the "Proposed Third Amendment"), which would only impact the portion of the Redevelopment Plan pertaining to the Original Project Area; and

**WHEREAS**, the Planning Commission, on January 9, 2008, made its report and recommendation supporting the Proposed Third Amendment and finding that the Proposed Third Amendment conforms to the to the Imperial Beach General Plan and Local Coastal Plan; and

**WHEREAS**, the Agency submitted the Proposed Third Amendment to the City Council, together with the Report to the City Council which includes: the reasons for adopting the Proposed Third Amendment; a description of the physical and economic conditions existing in the Original Project Area causing significant remaining blight; an explanation of why the significant remaining blight in the Original Project Area cannot be eliminated without the use of eminent domain; an explanation of why the removal of the

significant remaining blight in the Original Project Area cannot be reasonably be expected to be accomplished by private enterprise acting alone or by the use of financing alternatives other than tax increment financing; an explanation of the proposed method of financing the redevelopment of the Original Project Area under the Redevelopment Plan, as amended by the Proposed Third Amendment (“Amended Redevelopment Plan”); an implementation plan for the achievement of the goals and objectives of the Agency for the Original Project Area under the Amended Redevelopment Plan; a Neighborhood Impact Report, a summary of the community consultations and meetings, a plan and method for the relocation of persons and businesses that may be temporarily or permanently displaced from housing or business facilities as a result of the Amended Redevelopment Plan; the report and recommendation of the Planning Commission, including the report required by Government Code Section 65402; a summary of the Agency’s consultations with affected taxing agencies; and the 21166 Study stating that Palm Avenue/Commercial Redevelopment Project Environmental Impact Report (“EIR”) for the Redevelopment Plan pertaining to the Original Project Area is applicable to the Proposed Third Amendment and a separate EIR for the Proposed Third Amendment is not required, per CEQA Guideline 15162, because the Proposed Third Amendment does not propose any new projects or substantial changes to the Original Project Area; and

**WHEREAS**, the City Council and the Agency held a joint public hearing on February 20, 2008 to consider the approval and adoption of the Proposed Third Amendment, which joint public hearing was held with the consent of both the Agency and City; and

**WHEREAS**, the City Council continued the joint public hearing to March 5, 2008 to continue consideration of the approval and adoption of the Proposed Third Amendment, which joint public hearing was held with the consent of both the Agency and City; and

**WHEREAS**, notice of said hearing was published in a newspaper of general circulation in the City of Imperial Beach in accordance with Government Code section 6063; and

**WHEREAS**, copies of the notice of joint public hearing were mailed to residents and businesses and to the last known assessee of each parcel of land in the Project Area by first class mail; and

**WHEREAS**, copies of the notice of joint public hearing were mailed by certified mail with return receipt requested to the governing body of each taxing agency which levies taxes upon property in the Project Area; and

**WHEREAS**, at the joint public hearing on March 5, 2008, Agency staff recommended clarification to the Proposed Third Amendment (“Text Clarification”) by deleting the first three paragraphs of Section 308 and replacing the deleted text with the following text:

The Agency may, but is not required to, purchase, lease, obtain option upon or otherwise acquire any interest in real property by gift, devise, exchange, purchase, lease, by the use of eminent domain, or any other means authorized by law. The Agency shall not have the power to acquire, by use of eminent domain, real property on which any persons lawfully reside.

The Agency shall not have the power to acquire by eminent domain real property outside the boundaries of the Original Project Area.

No eminent domain proceeding to acquire property within the Original Project Area shall be commenced after twelve (12) years following the adoption of this Third Amendment. Such time limitation may be extended only by amendment of the Redevelopment Plan pertaining to the Original Project Area.

**WHEREAS**, the Agency adopted a resolution finding, based upon substantial evidence, that significant blight remains within the Original Project Area and this blight cannot be eliminated without the Agency's use of eminent domain ("Agency Resolution"); and

**WHEREAS**, the Agency Resolution recommends that the City Council approve and adopt the Proposed Third Amendment, as revised by the Text Clarification (hereinafter referenced collectively as "the Proposed Third Amendment"); and

**WHEREAS**, the City Council has considered the Proposed Third Amendment, the Agency's Report to the City Council, other recommendations of the Agency, the Report and recommendation of the Planning Commission, the economic feasibility of the Amended Redevelopment Plan; has provided an opportunity for all persons to be heard, and has received and considered all evidence and testimony presented for and against any and all aspects of the Proposed Third Amendment.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby finds and determines that all of the foregoing recitals are true and correct.

SECTION 2. The purposes and intent of the City Council are the achievement of the following goals and objectives with respect to the Original Project Area:

1. The revitalization of the Palm Avenue and 13th Street business corridor through the rehabilitation of existing structures, the redevelopment of opportunity sites through business retention and attraction programs.

2. The improvement of the City's bay front as a recreational area to serve both passive and active recreational uses, visitors and as an asset for healthy tourist industry.

3. The elimination and prevention of blight and deterioration; and the conservation, rehabilitation and redevelopment of the Original Project Area in accord with the General Plan, specific plans, the Redevelopment Plan and local codes and ordinances.

4. The achievement of an environment reflecting a high level of concern for architectural, landscape, and urban design and land use principles appropriate for attainment of the objectives of the Redevelopment Plan.

5. The provision for increased revenues to the City, including sales, business license, and other fees, taxes and revenues to the City.

6. The provision for tax increment to provide funds as necessary to finance rehabilitation and development programs which cannot be accomplished through existing publicly funded programs or by the private sector acting alone to eliminate blighting influences in the Original Project Area.

7. The encouragement of neighborhood serving commercial uses such as markets, movie theaters, family recreation and general goods stores.

8. The creation and development of local job opportunities and the preservation of the area's existing employment base.

9. The conservation and rehabilitation of urban reserve bay frontage.

10. The elimination or amelioration of certain environmental deficiencies, including substandard vehicular circulation systems; inadequate water, sewer and storm drain systems; insufficient off-street parking; and other similar public improvements, facilities and utilities deficiencies adversely affecting the Original Project Area.

11. The encouragement of investment by the private sector in the redevelopment of the Original Project Area by assisting in the alleviation of impediments to such redevelopment.

12. The elimination of blight through abatement of code compliance, reconstruction and assembly of parcels into more developable sites for more compatible uses.

13. The expansion and upgrading of housing opportunities in the community to eliminate blight and improve housing stock and standards for the present population.

14. The encouragement of participation of Original Project Area businesses, property owners, and community organizations in the redevelopment of the Original Project Area.

15. The expansion and upgrading of public transportation facilities.

16. The attraction of State, Federal and other grants, loans and funds.

17. The improvement of the public view through the purchase and rehabilitation of private facades and signage.

18. The development or construction of various public facilities, including fire, police, transportation, library, recreational or academic facilities as may be beneficial to the public welfare or enjoyment.

SECTION 3. The City Council hereby approves and adopts the Proposed Third Amendment as the Third Amendment to the Redevelopment Plan. The Redevelopment Plan, as amended by the Third Amendment, is hereby incorporated by this reference and designated, approved, and adopted as the official Redevelopment Plan.

SECTION 4. The City Council hereby finds and determines, based on substantial evidence in the record, including, but not limited to, any evidence specified after each of the following findings, the Agency's Report to Council and all documents referenced therein, oral and written staff reports, and evidence and testimony received at the joint public hearing on the adoption of the Proposed Third Amendment, that:

- a. Significant blight remains within the Original Project Area, the redevelopment of which is necessary to effectuate the public purposes declared in the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.).

The basis of this finding includes, but is not limited to, the following facts: the facts set forth in Section III of the Report to Council regarding the physical and economic blighting conditions existing in the Original Project Area, both now and at the time of plan adoption.

- b. The significant blight cannot be eliminated without the Agency's use of eminent domain.

The basis of this finding includes, but is not limited to the following facts: the facts set forth in Section II of the Report to Council regarding the minimal progress of private developers to develop suitable sites without the Agency's ability to assemble small parcels with diverse ownership by exercise and/or threat of exercise of eminent domain powers.

- c. The Amended Redevelopment Plan will redevelop the Original Project Area in conformity with the Community Redevelopment Law and in the interests of the public peace, health, safety and welfare.

This finding is based upon, but not limited to, the programs and projects of redevelopment activities proposed by the Agency for the Original Project Area, as set forth in Section IV of the Report to Council.

- d. The adoption and carrying out of the Amended Redevelopment Plan is economically sound and feasible.

The basis of this finding includes, but is not limited to, the following facts: (1) the Proposed Third Amendment will not result in significant new unexpected development within the Original Project Area, (2) it is not contemplated that eminent domain will be used predominantly or exclusively to acquire property within the Original Project Area, (3) in 2003, the Agency issued tax allocation bonds in the amount of \$22,700,000, of which sufficient funds are still available for expenditure on programs and projects contemplated by the Implementation Plan for the Original Project Area, (4) the Agency has the ability to issue additional tax allocation bonds for the Project Area up to an amount not to exceed \$120,000,000, collectively, for the Project Area; (5) the financial provisions of the Amended Redevelopment Plan authorize the Agency to finance implementation activities with financial assistance from the City of Imperial Beach or any other available source, public or private. Potential revenue sources include tax increment revenues; proceeds from tax increment bonds; and notes, loans, grants and contributions from the City, the County, the State, the Federal government and project developers, property disposition proceeds and the repayment of loans and advances by the Agency.

- e. The Proposed Third Amendment is consistent with the Imperial Beach General Plan and Local Coastal Plan, including, but not limited to, to the City's Housing Element, which substantially complies with applicable legal requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

The basis of this finding includes, but is not limited to, the report and recommendation of the Planning Commission.

- f. The carrying out of the Amended Redevelopment Plan will promote the public peace, health, safety and welfare of the City, and will effectuate the purposes and policies of the Community Redevelopment Law.

The basis of this finding includes, but is not limited to, the fact that under the Amended Redevelopment Plan the Agency will be able to continue and finish addressing and correcting the same blighting conditions in the

Original Project Area currently being addressed by the existing Redevelopment Plan, for the same purposes of stimulating development, contributing toward needed public improvements, improving economic and physical conditions in the Original Project Area and the overall quality thereof, and increasing employment opportunities in the Project Area and the rest of the City of Imperial Beach.

- g. The condemnation of real property, as provided for in the Proposed Third Amendment, is necessary to the execution of the Amended Redevelopment Plan, and adequate provisions have been made for payment for property to be acquired as provided by law.

This finding is based upon the information provided in Section III of the Report, including, without limitation, the fact that the following purposes of the existing, as well as the Amended Redevelopment Plan, cannot be achieved without the condemnation of real property currently under diverse private ownership: (1) the removal of substandard buildings as defined by the Building and Safety Code and incompatible uses to permit the development of the Project Area through new construction and better economic use; (2) the removal of impediments to land disposition and development through the assembly of land into reasonably sized and shaped parcels appropriate for commercial/retail development served by an improved public facilities, and the elimination of unnecessary title encumbrances restricting the uses of the land surface; (3) overcrowding or improper location of structures on the land; conversion to incompatible types of uses, obsolete building types; detrimental land uses or conditions such as incompatible uses and structures or mixed use; inadequate public utilities and facilities; and other equally significant environmental deficiencies; and (4) such other similar purposes necessary for the elimination of significant remaining blight in the Original Project Area, the prevention of the spread thereof, and the renewal, redevelopment and restoration of the Original Project Area in accordance with law and the Amended Redevelopment Plan.

- h. The Agency has a feasible method or plan for the relocation of families and persons displaced from the Original Project Area in the event that the implementation of the Amended Redevelopment Plan results in temporary or permanent displacement of any occupants of housing facilities in the Original Project Area.

This finding is based upon, but not limited to, Sections 311 through 315 of the Redevelopment Plan, which set forth the relocation housing requirements (Section 312), procedure for adoption of a replacement housing plan prior to acquisition of real property or the execution of any agreement resulting in displacement (Section 313), assistance in finding other locations (Section 314), and relocation payments in accordance with

Government sections 7260 et seq (Section 315)(collectively, "Relocation Requirements").

- i. There are, or shall be provided, in the Original Project Area, or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and persons displaced from the Original Project Area, decent, safe and sanitary dwellings equal in number to the number of and available to the displaced families and persons and reasonably accessible to their places of employment. Moreover, families and persons shall not be displaced prior to the adoption of a relocation plan pursuant to Community Redevelopment Law Sections 33411 and 33411.1, and dwelling units housing persons and families of low or moderate income shall not be removed or destroyed prior to the adoption of a replacement housing plan pursuant to provisions of Community Redevelopment Law Sections 33334.5, 33413 and 33413.5.

These findings are based upon, but not limited to, the fact that no person or family will be required to move from any dwelling unit until suitable relocation housing is available for occupancy, and that such housing must meet the standards established by applicable state or federal law, and the Agency's Relocation Requirements.

- j. There are no non-contiguous areas within the Original Project Area.
- k. Inclusion of any lands, buildings, or improvements which are not detrimental to public health, safety or welfare is necessary for the effective redevelopment of the area of which they are a part, and any such area included is necessary for effective redevelopment and is not included for the purpose of obtaining the allocation of tax increment revenues from the area pursuant to Section 33670 of the Community Redevelopment Law without other substantial justification for its inclusion.

This finding is based on the following justifications for the inclusion of any such properties: (1) the need to plan and carry out redevelopment of the Original Project Area as a uniform whole in order to effectuate redevelopment of the Original Project Area; (2) the need to impose uniform requirements over geographically defined and identified areas of the City because such properties are impacted by the substandard conditions existing on surrounding properties, and correction of such conditions may require the imposition of design, development, or use requirements on the standard properties in the event they are rehabilitated or redeveloped by their owners; (3) the fact that such properties will share in the physical, social and economic benefits which accrue to the area as a whole through the elimination of substandard conditions, including the replacement or provision of new public improvements and facilities within

or serving the entire Project Area; and (4) the fact that such properties are part of an area found to be blighted.

- I. The elimination of significant remaining blight and the redevelopment of the Original Project Area could not reasonably be expected to be accomplished by private enterprise acting alone without the aid assistance of the Agency.

This finding is based upon, but not limited to, the Report to Council that: (1) describes both the physical and economic conditions in the Original Project Area and the scope of redevelopment needed to provide the needed infrastructure, services and blight alleviation; and (2) demonstrates that due to the unprofitability and economic infeasibility of the undertaking necessary to carry out such redevelopment, private enterprise acting alone cannot accomplish, and likely will not initiate, the necessary redevelopment. The economic infeasibility of redevelopment results from current conditions in the Original Project Area that prevent the realization of normal returns sought by investors. For example, modern commercial/retail development standards require larger parcels than those prevalent in the Project Area, and the additional cost of acquiring multiple properties of varying ownership to create developable parcels of sufficient size, in addition to demolition and other related costs, negates any potential returns to investors. Moreover, no private investor will be willing to invest in the non-revenue generating activities required under the Amended Redevelopment Plan, such as improving compatibility between facilities with adjacent land uses.

- m. The Original Project Area is predominantly urbanized as defined in subdivision (b) of Section 33320.1 of the Community Redevelopment Law.

This finding is based in part upon the fact that the Original Project Area, which had previously been found to be predominantly urbanized under the existing Redevelopment Plan, remains unchanged under the Amended Redevelopment Plan.

- n. The time limitations that are contained in the Amended Redevelopment Plan are reasonably related to the proposed projects to be implemented in the Original Project Area and to the ability of the Agency to eliminate blight within the Original Project Area.

This finding is based in part upon the fact that the economic feasibility analysis for the Original Project Area was based upon the time limitations of the Redevelopment Plan, which, with the exception of the extension for the Agency power of eminent domain, remain unchanged under the Amended Redevelopment Plan, ensuring that anticipated cash flow will coincide with anticipated expenditures and redevelopment strategies at

every stage and throughout the term of the Amended Redevelopment Plan.

- o. The implementation of the Amended Redevelopment Plan will improve or alleviate the significant remaining blight within the Original Project Area.

This finding is based upon the information provided in Section III of the Report.

- p. The City Council is satisfied that permanent housing facilities will be available within three (3) years from the time occupants of the Original Project Area are displaced and that, pending the development of the facilities, there will be available to the displaced occupants adequate temporary housing facilities at rents comparable to those in the community at the time of their displacement.

This finding is based in part upon the Agency's assurances regarding displaced residents and relocation housing and the procedures involved in implementing the Agency's Relocation Requirements.

SECTION 5. All written and oral objections to the Proposed Third Amendment, if any, filed with and presented to the City Council and any written responses thereto, have been considered by the City Council at the time and in the manner required by law, and such written and oral objections are hereby overruled.

SECTION 6. In order to implement and/or facilitate the implementation of the Proposed Third Amendment, if hereby approved, this City Council hereby declares its intention to undertake and complete any proceeding necessary to be carried out by the City of Imperial Beach under the provisions of the Amended Redevelopment Plan.

SECTION 7. The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, whereupon the Agency is vested with the responsibility for carrying out the Amended Redevelopment Plan.

SECTION 8. If any part of this Ordinance or the Proposed Third Amendment is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance or of the Redevelopment Plan.

SECTION 9. The City Clerk shall certify to the passage of this Ordinance and cause the same to be published in some daily newspaper printed and published in the City of Imperial Beach.

**INTRODUCED AND FIRST READ** at a regular meeting of the City Council of the City of Imperial Beach, California, held on the 5<sup>th</sup> day of March 2008; and thereafter **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Imperial Beach, California, held on the 19<sup>th</sup> day of March 2008, by the following roll call vote:

AYES: COUNCILMEMBERS:  
NOES: COUNCILMEMBERS:  
ABSENT: COUNCILMEMBERS:

\_\_\_\_\_  
JAMES C. JANNEY, MAYOR

ATTEST:

\_\_\_\_\_  
JACQUELINE M. HALD, CMC  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
JAMES P. LOUGH  
CITY ATTORNEY

**I, City Clerk, of the City of Imperial Beach, do hereby certify the foregoing to be an exact copy of Ordinance No. 2008-1066 – An ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVING AND ADOPTING THE THIRD AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE PALM AVENUE/COMMERCIAL REDEVELOPMENT PROJECT AREA PERTAINING TO THE ORIGINAL PROJECT AREA**

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
DATE





**STAFF REPORT  
CITY OF IMPERIAL BEACH**

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**FROM:** GARY BROWN, CITY MANAGER

**MEETING DATE:** March 19, 2008

**ORIGINATING DEPT.:** CITY ATTORNEY

**SUBJECT:** SECOND READING AND ADOPTION OF ORDINANCE  
NO. 2008-1067 – ESTABLISHING THE IMPERIAL BEACH  
REGIONAL TRANSPORTATION CONGESTION  
IMPROVEMENT PLAN (RTCIP)

---

**BACKGROUND:**

The City is a member agency of the San Diego Association of Governments (“SANDAG”), a joint powers agency consisting of the City, the county of San Diego, and the seventeen other cities situated in San Diego County. Acting in concert, the member agencies of SANDAG developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in San Diego County (the “regional system”) could be made up in part by a transportation uniform mitigation fee on future residential development.

As a member agency of SANDAG, the City participated in the preparation of a certain “RTCIP Impact Fee Nexus Study,” dated September 5, 2006 (the “Nexus Study”) prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act. This Nexus Study, which is attached to this Report, establishes a link between the potential fee and the impacts created by certain categories of development. The voter approval established the ability to levy the fee and created the exemptions that the City is required to establish (*i.e* condo conversions).

**DISCUSSION:**

The Nexus Study shows that future development within San Diego County and the cities therein will result in traffic volumes exceeding the capacity of the regional system, as it presently exists. The City Council has been further informed and advised, and, based on the Nexus Study, can find, that if the capacity of the regional system is not enlarged, the result will be substantial traffic congestion in all parts of San Diego County and the City, with unacceptable levels of service throughout San Diego County by 2030.

Absent implementation of a Regional Transportation Congestion Improvement Plan (“RTCIP”) fee based on the Nexus Study, existing and known future funding sources will be inadequate to provide necessary improvements to the regional system, resulting in an unacceptably high level of traffic congestion within and around San Diego County and the City.

The purpose of this Ordinance is to set up a fee program, mandated by SANDAG, to require development to reimburse the City for traffic congestion improvement projects that will help relieve congestion caused by development. Upon review of the Nexus Study, the City Council can find that future development within the county and City will substantially adversely affect the regional system, and that unless such development contributes to the cost of improving the regional system, the regional system will operate at unacceptable levels of service.

The Nexus Study also allows the Council to find that the failure to mitigate growing traffic impacts on the regional system within San Diego County and the City will substantially impair the ability of public safety services (police and fire) to respond. The failure to mitigate impacts on the regional system will adversely affect the public health, safety and welfare.

The City Council can further find and determine that there is a reasonable and rational relationship between the use of the RTCIP fee and the type of development projects on which the fees are imposed because the fees will be used to construct the transportation improvements that are necessary for the safety, health and welfare of the residential and nonresidential users of the development projects on which the RTCIP fee will be levied.

The Nexus Study shows there is a reasonable and rational relationship between the need for the improvements to the regional system and the type of development projects on which the RTCIP fee is imposed because it will be necessary for the residential users of such projects to have access to the regional system. Such development will benefit from the regional system improvements and the burden of such development will be mitigated in part by the payment of the RTCIP fee.

The Nexus Study shows that the cost estimates set forth in the Study are reasonable cost estimates for constructing the regional system improvements, and that the amount of the RTCIP fee expected to be generated by new development will not exceed the total fair share cost to such development.

The fees collected pursuant to this chapter shall be used to help pay for the construction and acquisition of the regional system improvements identified in the Nexus Study. The need for the improvements is related to new development because such development results in additional traffic, thus creating the demand for the improvements. The City Council finds that the Nexus Study proposes a fair and equitable method for distributing a portion of the unfunded costs of improvements to the regional system.

The approval of this Ordinance allows the City to hold a hearing and approve development impact fees to meet the SANDAG requirements for the local costs of the regional transportation congestion improvement program. The staff will return to the Council at the second meeting in April to propose a fee to implement the RTCIP program in Imperial Beach to meet the July 1, 2008 deadline. The minimum fee required, and justified by the study, is \$2000.00 per new residence.

**ENVIRONMENTAL DETERMINATION:**

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

**FISCAL IMPACT:**

Adoption of the fee program will allow the City to recover costs that would otherwise be absorbed by the General Fund or divert other funds that could be used for other eligible projects. The City will be required to place \$2000.00 per residence in the RTCIP funds regardless of whether it charges the fee.

**DEPARTMENT RECOMMENDATION:**

Staff Recommends the Mayor and City Council:

1. Receive report;
2. Mayor calls for the reading of the title of Ordinance No. 2008-1067;
3. City Clerk reads the title of Ordinance No. 2008-1067 AN ORDINANCE ADOPTING CHAPTER 15.48 OF THE IMPERIAL BEACH MUNICIPAL CODE ADOPTING A TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM FOR THE PURPOSE OF DEFRAYING ACTUAL OR ESTIMATED COSTS OF CONSTRUCTING PLANNED REGIONAL TRANSPORTATION FACILITIES; and
4. Motion to dispense the second reading and adopt Ordinance No. 2008-1067 by title only.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department recommendation.



Gary Brown, City Manager

Attachment:

1. Ordinance 2008-1067
2. RTCIP Impact Fee Nexus Study



**ORDINANCE NO. 2008-1067**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, ADOPTING CHAPTER 15.48 OF THE IMPERIAL BEACH MUNICIPAL CODE, ADOPTING A TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM FOR THE PURPOSE OF DEFRAYING ACTUAL OR ESTIMATED COSTS OF CONSTRUCTING PLANNED REGIONAL TRANSPORTATION FACILITIES**

WHEREAS, Article XI, Section 7 of the California Constitution authorizes cities to use their police powers to protect the public health, safety and welfare by, among other things, enacting development impact fees; and

WHEREAS, California Government Code section 66484 authorizes cities to impose by local ordinance a requirement for the payment of fees as a condition of approval of a final map or as a condition of issuing a building permit for purposes of defraying the actual or estimated cost of constructing bridges over waterways, railways, freeways, and canyons, or constructing major thoroughfares; and

WHEREAS, California Government Code section 66000 establishes a procedure under which cities must adopt development impact fees or increase those fees as a condition of approval of a development project; and

WHEREAS, the City of Imperial Beach has not heretofore established development impact fees for those purposes described herein, reflecting an appropriate fee taking into consideration construction costs for public improvements; and

WHEREAS, the City Council intends by this ordinance to establish a requirement, and procedures, for the imposition of development impact fees to share in the costs of the design and construction of local and regional transportation facilities, to insure that that fees permitted by the police power and California Government Code sections 66483 and 66484 are appropriate.

**THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH DOES ORDAIN AS FOLLOWS:**

SECTION 1. The City of Imperial Beach finds that the adoption of this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061 (b) (3), General Rule, as follows: "The activity is covered by the General Rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that

the activity in question may have an effect on the environment, the activity is not subject to CEQA.”

SECTION 2. Chapter 15.48 of Title 15 of the Imperial Beach Municipal Code, consisting of sections 15.48.010 through 15.48.070, inclusive, is hereby added to read as follows:

**15.48.010 Title.**

This chapter shall be known as the “Imperial Beach Regional Transportation Congestion Improvement Plan Fee Program (“RTCIP”) Ordinance

**15.48.020 Findings.**

In adopting this chapter, the City Council of the City of Imperial Beach (“City”) finds and determines that:

A. The City is a member agency of the San Diego Association of Governments (“SANDAG”), a joint powers agency consisting of the City, the county of San Diego, and the seventeen other cities situated in San Diego County. Acting in concert, the member agencies of SANDAG developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in San Diego County (the “regional arterial system”) could be made up in part by a transportation uniform mitigation fee on future residential development. As a member agency of SANDAG, the City participated in the preparation of a certain “RTCIP Impact Fee Nexus Study,” dated September 5, 2006 (the “Nexus Study”) prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act.

B. The City Council has been informed and advised, and finds, that future development within San Diego County and the cities therein will result in traffic volumes exceeding the capacity of the regional system as it presently exists.

C. The City Council has been further informed and advised, and finds, that if the capacity of the regional arterial system is not enlarged, the result will be substantial traffic congestion in all parts of San Diego County and the City, with unacceptable levels of service throughout San Diego County by 2030.

D. The City Council has been further advised, and so finds that funding, in addition to those fees adopted pursuant to the Nexus Study, will be inadequate to fund construction of the regional arterial system. Absent implementation of a regional transportation congestion improvement plan (“RTCIP”) fee based on the Nexus Study, existing and known future funding sources will be inadequate to provide necessary improvements to the regional system, resulting in an unacceptably high level of traffic congestion within and around San Diego County and the City.

E. The City Council has reviewed the Nexus Study, and finds that future development within the county and City will substantially adversely affect the regional arterial system, and that unless such development contributes to the cost of improving the regional arterial system, the regional arterial system will operate at unacceptable levels of service.

F. The City Council finds and determines that the failure to mitigate growing traffic impacts on the regional arterial system within San Diego County and the City will substantially impair the ability of public safety services (police and fire) to respond. The failure to mitigate impacts on the regional arterial system will adversely affect the public health, safety and welfare.

G. The City Council further finds and determines that there is a reasonable and rational relationship between the use of the RTCIP fee and the type of development projects on which the fees are imposed because the fees will be used to construct the transportation improvements that are necessary for the safety, health and welfare of the residential and nonresidential users of the development projects on which the RTCIP fee will be levied.

H. The City Council finds and determines that there is a reasonable and rational relationship between the need for the improvements to the regional arterial system and the type of development projects on which the RTCIP fee is imposed because it will be necessary for the residential users of such projects to have access to the regional arterial system. Such development will benefit from the regional arterial system improvements and the burden of such development will be mitigated in part by the payment of the RTCIP fee.

I. The City Council further finds and determines that the cost estimates set forth in the Nexus Study are reasonable cost estimates for constructing the regional arterial system improvements, and that the amount of the RTCIP fee expected to be generated by new development will not exceed the total fair share cost to such development.

J. The City Council further finds that the cost estimates set forth in the Nexus Study are reasonable cost estimates for the facilities that comprise the regional arterial system, and that RTCIP fee program revenues to be generated by new development will not exceed the total fair share of these costs.

K. The fees collected pursuant to this chapter shall be used to help pay for the construction and acquisition of the regional arterial system improvements identified in the Nexus Study. The need for the improvements is related to new development because such development results in additional traffic, thus creating the demand for the improvements.

L. The City Council finds that the Nexus Study proposes a fair and equitable method for distributing a portion of the unfunded costs of improvements to the regional system.

M. The City Council adopts the Nexus Study and incorporates it in this chapter as though set forth in full.

**15.48.030 Definitions.**

For the purpose of this chapter, the following words, terms and phrases shall have the following meanings:

“City” means City of Imperial Beach

“Commission” means the San Diego County Regional Transportation Commission, formed pursuant to the San Diego County Regional Transportation Commission Act (Cal. Pub. Util. Code section 132000, et seq.), which is governed by the board of directors of SANDAG.

“Development project” or “project” means any project undertaken for the purpose of residential development, or development that includes, as a component, residential development, such as “mixed use” development, including the issuance of a permit for construction.

“Low income residential housing” means new moderate, low, very low, and extremely low income residential units as defined in Health and Safety Code sections 50079.5, 50093, 50105, 50106, and by reference in Government Code section 65585.1.

“Nexus Study” means the RTCIP Impact Fee Nexus Study pursuant to California Government Code section 66000 *et seq.*, which Nexus Study is on file in the City Clerk’s office.

“Residential dwelling unit” means one or more habitable rooms in a building or portion thereof which are occupied or which are intended or designed to be occupied by one family and containing but one kitchen with facilities for living, sleeping, sanitation, cooking and eating.

“RTCIP administrative plan” means the TransNet Extension Ordinance and Extension Plan adopted by the San Diego County Regional Transportation Commission Ordinance No. 04-01 on May 28, 2004, containing the detailed administrative procedures concerning the implementation of this chapter the RTCIP program, as may be amended from time to time, a copy of which is on file in the City Clerk’s office.

“SANDAG” means the San Diego Association of Governments, a joint powers agency consisting of the City, the county of San Diego, and the seventeen other cities situated in San Diego County.

**15.48.040 Establishment of the transportation uniform mitigation fee.**

A. Adoption. The schedule of fees shall be adopted by resolution approved by the City Council (“resolution”).

B. Fee Calculation. The fees shall be calculated according to the calculation methodology set forth in Table 11 of the Nexus Study, as may be amended from time to time. The Nexus Study is applicable to specific residential construction impacts in Imperial Beach, including but not limited to those referenced in Table A1 of the Study within the boundaries of the . Nothing herein prevents the City from collecting fees pursuant to any other fee program for other impacts from residential or non-residential development not specifically addressed in the Nexus Study for other infrastructure within the City. The amount of fees adopted under this Ordinance may also exceed the amount allowed by the Nexus Study based on further studies prepared by the City or SANDAG that justifies an increased amount.

C. Fee Adjustment. The fee schedule may be periodically reviewed and the amounts adjusted by the San Diego County Regional Transportation Commission. By amendment to the resolution, the fees may be increased or decreased to reflect changes in actual and estimated costs of the regional system including, but not limited to, debt service, lease payments and construction costs. The adjustment of the fees may also reflect changes in the facilities required to be constructed, in estimated revenues received pursuant to this chapter, as well as the availability or lack thereof of other funds with which to construct the regional arterial system. SANDAG shall review the RTCIP fee program no less than every ten years after July 1, 2009

D. Purpose. The purpose of the RTCIP fee is to fund those certain improvements to the regional arterial system identified in the Nexus Study.

E. Applicability. The RTCIP shall apply to all new development projects within the City, which include the development of one or more residential dwelling units, unless otherwise exempted by the provision of this chapter.

F. Exemptions. The following new development shall be exempt from the Imperial Beach Regional Transportation Congestion Improvement Program (RTCIP) Fee:

1. Low income residential housing;

2. Government/public buildings, public schools and public facilities;
  3. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing residential dwelling unit;
  4. All new, rehabilitated, and/or reconstructed non-residential structures.
  5. Development projects which are the subject of a public facilities development agreement entered into pursuant to Government Code Section 65864 et seq., prior to the effective date of this chapter, wherein the imposition of new fees are expressly prohibited; provided however that, if the term of such a development agreement is extended by amendment or by any other manner after July 1, 2008, the RTCIP fee shall be imposed;
  6. Guest dwellings;
  7. Kennels and catteries established in connection with an existing residential unit and as defined in Title 19 of the Imperial Beach Municipal Code;
  8. The sanctuary building of a church, mosque, synagogue, or other house of worship, eligible for a property tax exemption;
  9. Residential units that have been issued a building permit prior to July 1, 2008; and
  10. Condominium conversions.
- G. Credit. Regional system improvements may be credited toward the RTCIP fee in accordance with the RTCIP administrative plan and the following:
1. Regional Tier.
    - a. Arterial Credits. If a developer funds or constructs arterial improvements identified on SANDAG's Regional Arterial System and/or that arise out of SANDAG's Congestion Management Program, the developer shall receive credit for all costs associated with the arterial improvements, offsetting the revenue requirements of the RTCIP administrative plan.
    - b. Other Credits. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the City in consultation with the developer.
    - c. The amount of the development fee credit shall not exceed the revenue requirements of the City's most current funding program (determined by

the most current unit cost assumptions) for its share of the regional system or actual costs, whichever is less.

2. Local Tier.

a. The City shall compare facilities in local fee programs against the regional system and eliminate any overlap in its local fee program except where there is a recognized financing district established.

b. If there is a recognized financing district established, the City may credit that portion of the facility identified in both programs against the RTCIP fee in accordance with the RTCIP administrative plan.

**15.48.050 Reimbursements.**

Should a developer construct regional arterial system improvements in excess of the RTCIP fee obligation, the developer may be reimbursed based on actual costs or the approved unit cost assumptions, whichever is less. Reimbursements shall be enacted through a three party agreement including the developer, SANDAG and the City, contingent on funds being available. In all cases, however, reimbursements under such special agreements must coincide with construction of the transportation improvements as scheduled in the five-year capital improvements program adopted annually by SANDAG.

**15.48.060 Procedures for the levy, collection, and disposition of fees.**

A. Authority of City Manager. The City Manager or his/her designee is authorized to levy and collect the RTCIP fee and make all determinations required by this chapter.

B. Payment. Payment of the fees shall be as follows:

1. The fees shall be paid at the time a building permit is issued and the fee payment shall be calculated based on the fee in effect at that time. The fees shall be calculated according to the fee schedule set forth in the resolution and the calculation methodology set forth in Table 11 of the Nexus Study, in effect on the payment date.

2. The fees required to be paid shall be the fee amounts in effect at the time payment is due under this chapter, not the date the ordinance approving this chapter is initially adopted. The City shall not enter into a development agreement, which freezes future adjustments of the RTCIP.

3. If all or part of any development project is sold prior to payment of the fee, the property shall continue to be subject to the requirement for payment of the fee. Accordingly, the fees shall run with the land.

4. Fees shall not be waived.

C. Disposition of Fees. All fees collected hereunder shall be transmitted to a fund established and designated by the City for deposit, investment, accounting and expenditure in accordance with the provisions of this chapter and the Mitigation Fee Act, including any City implementing policies or regulations.

D. Appeals. Appeals shall be filed with the City Council in accordance with the provisions of RTCIP Administrative Plan and administrative rules adopted by Resolution of the City Council. Issues subject to appeal shall be the application of the fee, application of credits, application of reimbursement, application of the legal action stay and application of exemption.

E. Reports to SANDAG. The Finance Director or his/her designee, shall prepare and deliver to the executive director of SANDAG and to the Independent Taxpayer Oversight Committee (ITOC), periodic reports as will be established under section 15.48.070 of this chapter.

**15.48.070 RTCIP fee administrator.**

A. The City Manager is appointed as the administrator of the transportation uniform mitigation fee program. He or she, or designee, is authorized to receive all fees generated from the RTCIP fee within the City, and to invest, account for and expend such fees in accordance with the provisions of this chapter and the Mitigation Fee Act. The detailed administrative procedures concerning the implementation of this chapter shall be contained in the RTCIP administrative plan. Furthermore, the RTCIP administrator shall use the Nexus Study for the purpose of calculating a developer's RTCIP fee obligation. In addition to detailing the methodology for calculating all RTCIP fee obligations of different categories of new development, the purpose of the Nexus Study is to clarify for the RTCIP administrator, where necessary, the definition and calculation methodology for uses not clearly defined in this chapter.

B. The City shall expend only that amount of the funds generated from the RTCIP fee for staff support, audit, administrative expenses, and contract services that are necessary and reasonable to carry out its responsibilities and in no case shall the funds expended for salaries and benefits exceed two percent of the annual net amount of revenue raised by the RTCIP fee. The RTCIP administrative plan further outlines the fiscal responsibilities and limitations of the administrator.

SECTION 3. The City Council of the City of Imperial Beach hereby declares that should any section, paragraph, sentence, phrase, term or word of this ordinance, hereby adopted, be declared for any reason to be invalid, it is the intent of the City Council that it would have adopted all other portions of this ordinance irrespective of any such portion declared invalid.

SECTION 4. This ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk shall cause this ordinance to be published pursuant to the provisions of Government Code section 36933.

**INTRODUCED AND FIRST READ** at a regular meeting of the City Council of the City of Imperial Beach, California, held the 5<sup>th</sup> day of March 2008; and thereafter **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Imperial Beach, California, held on the 19<sup>th</sup> day of March 2008, by the following roll call vote:

**AYES:**  
**NOES:**  
**ABSENT:**

---

**JIM JANNEY, MAYOR**

**ATTEST:**

---

**JACQUELINE M. HALD**  
**CITY CLERK**

**APPROVED AS TO FORM:**

---

**JAMES P. LOUGH**  
**CITY ATTORNEY**



# RTCIP IMPACT FEE NEXUS STUDY

**SEPTEMBER 5, 2006**

PREPARED FOR THE  
SAN DIEGO ASSOCIATION OF GOVERNMENTS



**WITH CAMBRIDGE SYSTEMATICS**

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# Introduction and Summary

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This chapter provides a summary of the study's results and explains the background and purpose for the study. The chapter also describes the initial nexus analysis that preceded the current study.

## Summary

The purpose of this study is to provide a single nexus analysis that all local agencies in San Diego County can use to adopt an impact fee and fulfill their contribution to the Regional Transportation Congestion Improvement Plan (RTCIP). This report documents the required statutory findings under California's *Mitigation Fee Act*<sup>1</sup>. The nexus analysis demonstrates that an impact fee of \$2,071 per new residence is allowed under the *Mitigation Fee Act*. This fee amount is estimated in 2008 dollars when the RTCIP will be implemented.

## New Development Investments in Regional Transportation

In 2004 voters in San Diego County approved a 40-year extension to TransNet, a program designed to fund improvements to the region's transportation system first initiated in 1987. The prime component of the program is a half-cent sales tax increase that is projected to raise over \$8 billion for improvements through 2030. Expenditure of TransNet funds is implemented through the *Regional Transportation Plan (RTP)*, prepared by the San Diego Association of Governments (SANDAG) and updated every two years.

The most recent RTP, *Mobility 2030*, was adopted in 2005 and details the need for \$42 billion in transportation improvements.<sup>2</sup> Of that total, \$22 billion in funding will come from a variety of state and federal sources. The remaining \$20 billion will come from existing and new local funding sources including the TransNet sales tax extension. These amounts represent the Reasonably Expected Scenario, one of three scenarios examined in the RTP and the scenario adopted by SANDAG.

In addition to the sales tax extension, the TransNet program requires implementation of a new local funding source for the RTP, the Regional Transportation Congestion Improvement Program (RTCIP).<sup>3</sup> The purpose of the RTCIP is to ensure that new development directly invests in the region's transportation system to offset the negative impacts of growth on congestion and mobility.

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<sup>1</sup> California Government Code, §§66000-66025.

<sup>2</sup> See the Reasonably Expected Scenario that represents the RTP adopted funding and expenditure plan. San Diego Association of Governments, *Final 2030 Regional Transportation Plan, Mobility 2030* (February 2005), Table 4.1, page 43.

<sup>3</sup> San Diego Association of Governments, *TransNet Extension Ordinance and Expenditure Plan*, Commission Ordinance 04-01, May 28, 2004, Sec. 9.

Key components of the RTCIP include:

- ◆ Beginning July 1, 2008 each local agency must contribute \$2,000 (in \$2002) from exactions imposed on the private sector for each new residence constructed in the County.
- ◆ Although the RTCIP does not specify a revenue source for this contribution, most local agencies are likely to collect this revenue as a development impact fee imposed on new dwelling units at building permit issuance.
- ◆ Revenues must be expended on improvements to the Regional Arterial System (RAS), described below, and in a manner consistent with the expenditure priorities in the most recent adopted RTP.
- ◆ The Independent Taxpayer Oversight Committee, created for the TransNet program, is responsible for reviewing local agency implementation of the RTCIP.
- ◆ If a local agency does not comply with the RTCIP the agency can lose TransNet sales tax funding for local roads.

Cities have the authority to impose impact fees under the *Mitigation Fee Act* contained in California Government Code sections 66000 through 66025. Counties have the same authority for their unincorporated areas. In doing so, each local agency is required to make findings demonstrating a reasonable nexus between the collection of fees, the need for facilities created by new development, and the expenditure of fee revenues to benefit new development.

## Purpose of Study

The purpose of this study is to provide a single nexus analysis that all local agencies in San Diego County can use to adopt an impact fee and fulfill their contribution to the RTCIP. This report documents the required statutory findings under the *Mitigation Fee Act*.

## Regional Arterial System

SANDAG employs a rigorous process to define the RAS.<sup>4</sup> The most important criterion for determining whether to include an arterial in the RAS is the arterial's role as a "critical link". Critical links provide direct connections between communities ensuring system continuity and congestion relief in high volume corridors. The other criteria for inclusion of an arterial in the RAS include:

- ◆ Links to areas with high concentrations of existing or future population or employment;
- ◆ Links to activity centers such as hospitals, retail centers, entertainment centers, hotels, colleges, and universities;

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<sup>4</sup> San Diego Association of Governments (SANDAG), *Final 2030 Regional Transportation Plan, Mobility 2030* (February 2005), Technical Appendix 7 – Evaluation Criteria and Rankings, Table TA 7.1, p. 105.

- ♦ Accommodate high future traffic volumes;
- ♦ Accommodate Regional Transit Vision (Red and Yellow Car service); and
- ♦ Provide access to intermodal (freight, port, military, or airport) facilities.

The current RAS includes 777 route miles (not lane miles) of arterials. **Figure 1** is a map of the Regional Arterial System. The RAS includes both the regionally significant arterials and the other regional arterials indicated on the map. A list of arterial segments included in the RAS is provided in **Appendix A** to this report. A list of the types of improvements that the RTCIP can fund on the RAS is discussed in the *Implementation* chapter of this report.

## Initial RTCIP Impact Fee Calculation

SANDAG staff developed the RTCIP contribution amount of \$2,000 per residence using an approach that allocated transportation system improvements proportionately across both existing development and projected growth. The methodology was as follows:

1. The Regional Arterial System carried 10.8 million vehicle miles traveled (VMT) in 2000 and was projected to carry 14.9 million VMT in 2030. The difference of 4.1 million VMT, or 27 percent of the 2030 VMT total was attributed to growth ( $4.1 \div 14.9 = 27$  percent).
2. The entire transportation network was projected to accommodate 60.1 million vehicle miles traveled (VMT) in 2030. Of this total, 37.4 million VMT, or 62 percent, were attributed to residential development ( $37.4 \div 60.1 = 62$  percent). This amount included any trip that started or ended at a home (home-work, home-school, home-college, and home-other).
3. Multiplying the results of steps #1 and #2 resulted in 16 percent of total VMT in the County in 2030 attributed to new, residential development ( $0.27 \times 0.62 = 16$  percent).
4. As of 2000, SANDAG and local agencies had identified improvements for 710 additional lane miles to complete the Regional Arterial System. At a cost of \$5.1 million per lane mile (in 2002 dollars) this equals a total cost of \$3.6 billion ( $710 \times \$5.1 \text{ million} = \$3.6 \text{ billion}$ ).
5. If all development, existing and new, paid a proportionate share of this cost new residential development's share would be \$593 million ( $0.16 \times \$3.6 \text{ billion} = \$593 \text{ million}$ ).
6. Allocating the new residential development share over a projected increase in dwelling units of 320,000 from 2000 to 2030 yielded a cost per unit of slightly less than \$2,000 ( $\$593 \text{ million} \div 320,000 = \$1,853$ ).

The methodology described above and employed by SANDAG to calculate the RTCIP assumes that all development, existing and new has the same impact on the need for RAS improvements based on the amount of travel demand generated (vehicle trips). Thus existing and new development should share proportionately in the cost of transportation system improvements. For descriptive purposes this can be considered an "average cost" approach.





For comparison, this approach does not focus on the marginal impacts of new development on congestion, and the cost of additional transportation improvements needed to mitigate those impacts to maintain existing levels of services. Based on our experience preparing transportation fee studies, this “marginal cost” approach would probably result in allocating to new development a greater share of planned transportation system improvements. The approach used by SANDAG is therefore more conservative.

# Nexus Analysis

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This chapter documents a reasonable relationship between increased travel demand from new development on the Regional Arterial System (RAS), the cost of RAS improvements needed to accommodate that growth, and an impact fee to fund those investments.

## Approach

Impact fees are calculated to fund the cost of facilities required to accommodate growth. The four steps followed in any development impact fee study and described in detail in the sections that follow include:

1. Prepare growth projections;
2. Identify facility standards;
3. Determine the amount and cost of facilities required to accommodate new development based on facility standards and growth projections;
4. Calculate the public facilities fee by allocating the total cost of facilities per unit of development.

Due to policy considerations SANDAG indicated that the nexus study should employ the same “average cost” approach used in the initial fee calculation to the greatest extent technically defensible under the *Mitigation Fee Act*. Consistent with the initial SANDAG approach, the need for RAS improvements determined by this nexus study is based on the relative amount of travel demand generated by all existing and new, residential and nonresidential, development. As mentioned above (see page 3), this is a conservative approach because a more detailed impact analysis probably would result in allocating to new development a greater share of planned RAS improvements.

The analysis required for each of the four steps listed above is conducted on a countywide basis consistent with SANDAG’s initial fee calculation. We updated certain assumptions with more recent data when available. The approach takes a countywide perspective because the RAS represents a countywide network that facilitates mobility between and through cities and unincorporated areas. New development, regardless of location, both adds congestion (increased vehicle trips) to a range of arterials within the RAS and benefits from the expenditure of fee revenue on a range of RAS facilities.

## Growth Projections

This section describes the SANDAG forecast for population and employment, and estimates of land use in terms of dwelling units and nonresidential building square feet. Land use forecasts are converted to vehicle trips to provide a measure of travel demand (further discussed below).

## **Population, Employment, and Land Use**

The planning horizon for this analysis is 2030, consistent with current land use and transportation forecasts adopted by SANDAG. The nexus analysis uses forecasts of dwelling units and employment to estimate new development demand for transportation improvements. Forecasts for 2030 are from SANDAG's Urban Development Model (UDM). The UDM is one of four interrelated forecasting models used by SANDAG to project land use and transportation for the region.<sup>5</sup> The UDM allocates changes in the region's economic and demographic characteristics to jurisdictions and other geographic areas within the region. The model is based on the spatial interrelationships among economic factors, housing and population factors, land use patterns, and the transportation system. The model generates 2030 forecasts for small geographic areas including the traffic analysis zones used in the transportation modeling process. The UDM complies with federal mandates that transportation plans consider the long-range effects of the interaction between land uses and the transportation system.

The initial SANDAG fee calculation used 2002 as the base year for cost estimates so that is the base year used for this nexus analysis. Dwelling units and employment for 2002 are based on interpolations of development estimates for 2000 and 2005 from the UDM model. Total employment was allocated to land use categories based on analysis of employment by land use using data from five counties and conducted for the Southern California Association of Governments.

**Table 1** lists the 2002 and 2030 land use assumptions based on SANDAG forecasts and used in the nexus analysis.

The employment forecasts are converted to building square footage shown in Table 1 by land use using occupant densities factors shown in **Table 2**. These factors are derived from a study of employment, building square feet, and land use conducted for the Southern California Association of Governments (SCAG). The density factors were derived from a random sample of 2,721 parcels drawn from across five counties (Los Angeles, Orange, Riverside, San Bernardino, and Ventura). We could not identify such a study for San Diego County. The SCAG study's density factors are based on the largest sample of properties that we are aware of, and are used in development impact fee studies throughout the State.

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<sup>5</sup> For more information on SANDAG's economic, demographic, and transportation forecasting models, see San Diego Association of Governments, *Final 2030 Forecast Process and Model Documentation*, April 2004.

**Table 1: Population, Employment & Land Use Forecasts**

	2002	2030	Increase	Percent
Residents	2,909,000	3,855,000	946,000	33%
Dwelling Units				
Single Family	648,000	778,000	130,000	20%
Multi-family	372,000	527,000	155,000	42%
Mobile Home	47,000	49,000	2,000	4%
Total	1,067,000	1,354,000	287,000	27%
Employment <sup>1</sup>				
Retail	295,000	393,000	98,000	33%
Office/Services	348,000	451,000	103,000	30%
Industrial	383,000	628,000	245,000	64%
Subtotal	1,026,000	1,472,000	446,000	43%
Residential <sup>2</sup>	138,000	149,000	11,000	8%
Public <sup>3</sup>	139,000	157,000	29,000	21%
Total	1,303,000	1,778,000	475,000	36%
Building Square Feet (000s) <sup>4</sup>				
Retail	148,000	197,000	49,000	33%
Office/Services	104,000	135,000	31,000	30%
Industrial	345,000	565,000	220,000	64%
Total	597,000	897,000	300,000	50%

<sup>1</sup> Based on Series 10 forecast data provided by SANDAG. Estimates by major land use type rolled up from County Assessor's categories. Interpolated 2008 data based on 2005 and 2010 forecasts.

<sup>2</sup> Employment on residential land uses such as home-based businesses. Travel demand included in estimates for residential land uses.

<sup>3</sup> Travel demand caused by public land uses so excluded from nexus analysis.

<sup>4</sup> Based on occupant density factors shown in Table 2.

San Diego Association of Governments (SANDAG) Data Warehouse (<http://datawarehouse.sandag.org>), SANDAG Series 10 forecast of employment by land use; MuniFinancial.

**Table 2: Occupant Density**

Land Use	
Commercial	500 Square feet per employee
Office/Services	300 Square feet per employee
Industrial <sup>1</sup>	900 Square feet per employee

Note: Source data based on random sample of 2,721 developed parcels across five Los Angeles area counties (Los Angeles, Orange, Riverside, San Bernardino, and Ventura). MuniFinancial estimated weighting factors by land use categories used in the survey to calculate average employment densities by major category (commercial, office, industrial).

<sup>1</sup> Adjusted to correct for over-sampling of Industrial parcels in Ventura County.

Source: The Natelson Company, Inc., *Employment Density Study Summary Report*, prepared for the Southern California Association of Governments; October 31, 2001, Table 2-A, p. 15. MuniFinancial.

### **Travel Demand By Land Use Category**

To estimate travel demand by type of land use the nexus study uses vehicle trips rather than vehicle miles traveled (VMT) that were used in the initial SANDAG calculation. Vehicle trips can be calculated in a consistent manner across land use categories based on population and employment estimates by land use category. This enables the impact of development to be distinguished between land use categories, a key requirement of the *Mitigation Fee Act*. VMT, on the other hand, is available from transportation models only for a limited number of “production and attraction” categories: home-work, home-school, home-college, home-other, and non-home.

A reasonable measure of vehicle trips is weekday average daily vehicle trips ends. Because automobiles are the predominant source of congestion, vehicle trips are a reasonable measure of demand for new capacity even though the measure excludes demand for alternative modes of transportation (transit, bicycle, pedestrian).

The following two adjustments are made to vehicle trip generation rates to better estimate travel demand by type of land use:

- ◆ Pass-by trips are deducted from the trip generation rate. Pass-by trips are intermediates stops between an origin and a final destination that require no diversion from the route, such as stopping to get gas on the way to work.
- ◆ The trip generation rate is weighted by the average length of trips for a specific land use category compared to the average length of all trips on the street system.

**Table 3** shows the calculation of travel demand factors by land use category based on the adjustments described above. Data is based on extensive and detailed trip surveys conducted in the San Diego region by SANDAG. The surveys provide a robust database of trip generation rates, pass-by trips factors, and average trip length for a wide range of land uses.

**Table 3: Travel Demand Factors**

	A	B	C=A+B	D	E=CxD/ 6.9	F	G=ExF
	<b>Trip Rate Adjustment Factor</b>						
	Primary Trips <sup>1</sup>	Diverted Trips <sup>1</sup>	Total Excluding Pass-by <sup>1</sup>	Average Trip Length <sup>2</sup>	Adjust- ment Factor <sup>3</sup>	Average Daily Trip Ends <sup>4</sup>	Travel Demand Factor
<b>Residential<sup>5</sup></b>							
Single Family	86%	11%	97%	7.9	1.11	10	11.10
Multi-family	86%	11%	97%	7.9	1.11	8	8.88
Mobile Home	86%	11%	97%	7.9	1.11	5	5.55
<b>Nonresidential<sup>7</sup></b>							
Commercial	47%	31%	78%	3.6	0.41	68	27.88
Office/Services	77%	19%	96%	8.8	1.22	20	24.40
Industrial	79%	19%	98%	9.0	1.28	8	10.24

<sup>1</sup> Percent of total trips. Primary trips are trips with no mid-way stops, or "links". Diverted trips are linked trips whose distance adds at least one mile to the primary trip. Pass-by trips are links that do not add more than one mile to the total trip

<sup>2</sup> In miles.

<sup>3</sup> Systemwide average trip length is 6.9 miles.

<sup>4</sup> Trips per dwelling unit or per 1,000 building square feet.

<sup>5</sup> Single family based on 3-6 units per acre category. Multi-family based on 6-20 units per acre category.

<sup>6</sup> Commercial based on "community shopping center" category. Office/services based on "standard commercial office" category. Industrial based on "industrial park (no commercial)" category.

Sources: San Diego Association of Governments, *Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region*, July 1998; MuniFinancial.

## **Shifting Burden of Commercial Development to Residential Development**

Applying the travel demand factors shown in Table 3 directly to development by land use category implicitly assumes that the cause of each vehicle trip on the transportation network is shared equally by the land use at each trip end (origin and destination). But depending on the regional economic forces affecting development in a particular area, the cause of a trip may be related more to the land use at the origin or the destination. For example, in some areas residential development may be caused by job growth, while in other areas the opposite may occur (jobs follow housing). These cause and effect relationships may change over time in the same area. Given the complexity of these regional economic and land use relationships, most transportation impact fee nexus studies make the simplifying but reasonable assumption to weight the origin and destination of a trip equally when identifying the cause of travel demand on a transportation system.

However, there is one regional economic and land use cause and effect relationship that remains consistent across geographical areas and over time. Commercial development is to a large extent caused by the spending patterns of local residents. Commercial development follows residential development or anticipates new development occurring in the near term. This development pattern can be observed throughout metropolitan regions and is driven by

the site location process followed by retailers. When seeking new locations, the most common measure of a potential market used by site location analysts is the number of households within a reasonable driving distance for shopping trips and the median income of those households.

Given this consistent regional economic and land use cause and effect relationship, it is reasonable to allocate at least some of the burden of commercial trip ends to residential development. This approach is used in impact fee nexus studies to more accurately allocate the burden of transportation improvements needed to accommodate growth.<sup>6</sup>

Not all retail spending is related to local residential development. By “local” we mean residents (or businesses) located within the area subject to the impact fee. There are three major sources of retail spending:

1. Local households;
2. Local businesses; and
3. Visitors that travel to the area to shop.

The RTCIP impact fee is limited to residential development so the focus of this nexus study was shifting the appropriate share of travel demand from commercial to residential development. The demand for commercial development by local businesses was not identified.

To determine the amount of commercial development associated with residential development we conducted an analysis of taxable retail sales data for 2004, the most recent complete year of data available from the State Board of Equalization. The analysis calculated the total spending potential of San Diego County households and estimated what portion of that spending occurred within the County. The result was that 62.6 percent of total taxable retail sales was estimated to be associated with local household spending. The remainder was associated with local business and visitor spending. Based on this analysis, residential development directly causes 62.6 percent of commercial development. Consequently, the travel demand associated with that share of commercial development is shifted to residential development.

The results of this analysis are summarized in **Table 4** and presented in detail in **Appendix B**.

### ***Total Travel Demand By Land Use Category***

**Table 5** shows estimates of travel demand from existing and new development and the shares that residential and nonresidential development comprise of the total. Travel demand is based on the travel demand factors calculated in **Table 3** and the growth estimates in **Table 1**. Commercial development associated with local household spending as shown in **Table 4** is included in the residential land use category. Based on this analysis new residential development will represent about 13 percent of total travel demand in 2030.

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<sup>6</sup> See Economic and Planning Systems, Inc., *Infrastructure Financing Technical Report Southwest Area Plan*, prepared for the City of Santa Rosa Department of Community Development, January 1995, p.28. See also Economic and Planning Systems, Inc., *Road Impact Mitigation Fee Nexus Study*, prepared for the Calaveras Council of Governments, April 28, 2004, p.20.

**Table 4: Allocation of Taxable Retail Spending & Commercial Sq. Ft. in San Diego County**

	Taxable Retail Sales (2004)		Building Square Feet		
		Share	2002	2025	Growth
Total Taxable Retail Spending & Commercial Sq. Ft.	\$ 44,470,000	100.0%	148,000	197,000	49,000
Local Residential Taxable Spending & Sq. Ft.	27,856,000	62.6%	93,000	123,000	30,000
Local Business and Visitor Taxable Spending & Sq. Ft.	16,614,000	37.4%	55,000	74,000	19,000

Sources: Tables 1 and B.4; MuniFinancial.

**Table 5: Travel Demand From Existing and New Development**

Land Use Category	Travel Demand Factor <sup>1</sup>	Development		Travel Demand <sup>3</sup>		Total
		Existing <sup>2</sup> (2002)	Growth <sup>2</sup> (2002-2030)	Existing (2002)	Growth (2002-2030)	
<b>Residential</b>						
Single Family	11.10	648,000	130,000	7,193,000	1,443,000	8,836,000
Multi-family	8.88	372,000	155,000	3,303,000	1,376,000	4,679,000
Mobile Home	5.55	47,000	2,000	261,000	11,000	272,000
Local-serving Commercial <sup>4</sup>	27.88	93,000	30,000	2,593,000	836,000	3,429,000
Subtotal		1,160,000	317,000	13,350,000	3,666,000	17,016,000
Percent of Total				47.4%	13.0%	60.4%
<b>Nonresidential</b>						
Other Commercial <sup>5</sup>	27.88	55,000	19,000	1,533,000	530,000	2,063,000
Office/Services	24.40	104,000	31,000	2,538,000	756,000	3,294,000
Industrial	10.24	345,000	220,000	3,533,000	2,253,000	5,786,000
Subtotal		1,757,000	617,000	7,604,000	3,539,000	11,143,000
Percent of Total				27.0%	12.6%	39.6%
Total				20,954,001	7,205,000	28,159,000
Percent of Total				74.4%	25.6%	100.0%

<sup>1</sup> Per dwelling unit for residential land uses and per 1,000 square feet for nonresidential land uses.<sup>2</sup> Dwelling units for residential land uses and 1,000 square feet for nonresidential land uses.<sup>3</sup> Estimated total trip ends using the factors shown in Table 3.<sup>4</sup> Represents share of total commercial square feet and travel demand associated with spending by San Diego County households.<sup>5</sup> Represents share of total commercial square feet and travel demand associated with spending by San Diego County businesses and visitors.

Source: Tables 1, 3 and 4; MuniFinancial.

## Facilities Standard and Need for Transportation Improvements

The critical policy issue in a development impact fee nexus study is the identification of a facility standard. The facility standard determines new development's need for new facilities. The facility standard is also used to evaluate the existing level of facilities to ensure that new development does not fund infrastructure needed to serve existing development.

The facility standard used by this nexus analysis is average weekday vehicle hours of delay on the Regional Arterial System (RAS) in 2008. Hours of delay provide a reasonable system-

wide measure of the impact of new development on congestion and mobility. SANDAG's transportation forecasting model (TransCAD) demonstrates that hours of delay increase with the level of new development, and decrease with investment in additional transportation system capacity. Projected hours of delay in 2002 is used for the standard because that is the implementation date for the RTCIP, representing existing conditions at the time new development would begin contributing to transportation system improvements.

As mentioned in the last chapter the RAS needed 710 additional lane miles to complete the system as of the year 2000. Through 2002 the region added 73 lane miles to the RAS. This effort reduces the level of investment needed to complete the RAS to 637 lane miles.

The data in **Table 6** from the TransCAD model demonstrates a reasonable relationship between new development and the need for additional investment in the RAS. The table shows the projected increases in vehicle hours of delay from 2002 to 2030 and the benefits of adding 637 lane miles to the RAS. Without any investment in the RAS vehicle hours of delay will increase by 114 percent during this period. With an investment of 637 new lane miles in regional arterials vehicle hours of delay will increase substantially less, by 68 percent.

**Table 6: Regional Arterial System Roadway Statistics**

	Existing 2002	Projected 2030	
		Without Improvements	With Improvements
Lane Miles	2,805	2,805	3,442
Change, 2002-2030 (amount)		-	637
Change, 2002-2030 (percent)		0%	23%
Average Weekday Vehicle Hours of Delay	64,352	137,481	108,350
Change, 2002-2030 (amount)		73,129	43,998
Change, 2002-2030 (percent)		114%	68%

Note: 2002 data interpolated based on 2000 and 2005 data provided by model output (see Source).

Source: San Diego Association of Governments, TransCAD model output.

New development is not the entire cause of the forecasted increase in vehicle hours of delay so as discussed above, new development is only allocated a share of RAS investment costs. The SANDAG transportation model assumes that vehicle miles traveled (VMT) per capita for all existing and new development will increase 9.6 percent from 2000 to 2030 continuing recent trends.<sup>7</sup> Thus some of the increased in vehicle hours of delay is caused by increased travel from existing development. RAS investment costs are being allocated evenly across existing and new development based on total travel demand, incorporating the impact of increased VMT per capita across all types of development (existing and new).

<sup>7</sup> Email communication from Bill McFarlane, Transportation Modeling Section, San Diego Association of Governments, March 8, 2006.

## Facility Costs and Available Funding

This section estimates total costs associated with RAS improvements that are the responsibility of new development. The need for RTCIP funding based on available RTP revenues is evaluated. Finally, this section provides a current list of specific projects identified for investment in the RAS.

### Unit Cost Estimates and Total Facility Costs

For the purposes of this nexus analysis, facility costs are estimated in 2008 dollars, the first year of implementation of the RTCIP. The TransNet Ordinance states that the \$2,000 revenue requirement per new dwelling unit be increased for inflation based on a construction cost index.<sup>8</sup> The \$2,000 amount was based on the original cost estimates prepared for the RTP in 2002 dollars. This subsection explains the approach taken to increase unit costs from 2002 dollars to 2008 dollars.

The currently adopted *Regional Transportation Plan (RTP), Mobility 2030*, assumed a unit cost estimate of \$5.1 million per lane mile in 2002 dollars for the RAS. Historically, SANDAG has assumed an annual increase of 2.6 percent for road construction costs, but in recent years that rate has risen significantly. To examine this issue SANDAG commissioned a study that examined a range of data on transportation capital project cost inflation since 2002. The study recommended that SANDAG use a 7.26 percent annual rate to increase estimated project costs from 2002 through 2005, and 4.50 percent from 2005 to 2008.<sup>9</sup>

As shown in **Table 7**, the cost estimate for an arterial lane mile is \$7.2 million after inflating the 2002 estimate by the factors cited above from the SANDAG study. The total compounded increase from the 2002 estimate is 41 percent. Total costs to complete the arterial system would be \$4.6 billion in \$2008 based on this unit cost estimate.

### Available RTP Funding

To justify the need for the RTCIP impact fee, the fee should only be imposed to the extent additional funding is needed to accommodate new development net of other anticipated funding sources. The RTP examined three funding and expenditure scenarios described below.<sup>10</sup> All dollars are in \$2002 and are for the planning horizon 2002 to 2030.

- ♦ The Revenue Constrained scenario (\$30 billion) was based on existing revenue sources and did not assume extension of the TransNet sales tax.
- ♦ The Reasonably Expected scenario (\$42 billion) was based on extension of the TransNet sales tax (\$8 billion) plus \$4 billion more from higher levels of state and federal discretionary funds and increases in state and federal gas taxes based on historical trends.

<sup>8</sup> San Diego Association of Governments, *TransNet Extension Ordinance and Expenditure Plan*, Commission Ordinance 04-01, May 28, 2004, Sec. 9.

<sup>9</sup> San Diego Association of Governments, *Transportation Project Cost Analysis* (June 17, 2005) completed by URS, p. 8-1.

<sup>10</sup> SANDAG, *Final 2030 Regional Transportation Plan, Mobility 2030* (February 2005), Chapter 4, pp. 35-53.

**Table 7: Estimated Arterial System Capacity Investments (\$2008)**

Year	Source	Inflation Rate		Cost
		Annual	Cummulative	
2002	SANDAG RTP	NA	NA	\$ 5,100,000
2003	BLS Compounded Rate 2002-2005 <sup>1</sup>	7.26%	7.26%	5,470,000
2004	BLS Compounded Rate 2002-2005 <sup>1</sup>	7.26%	15.05%	5,868,000
2005	BLS Compounded Rate 2002-2005 <sup>1</sup>	7.26%	23.40%	6,293,000
2006	FHWA Compounded Rate 1960-2004 <sup>1</sup>	4.50%	28.95%	6,576,000
2007	FHWA Compounded Rate 1960-2004 <sup>1</sup>	4.50%	34.75%	6,872,000
2008	FHWA Compounded Rate 1960-2004 <sup>1</sup>	4.50%	40.81%	7,181,000
Regional Arterial Widening & Extensions (lane miles) (2002-2030)				637
Total Regional Arterial System Capacity Investments (2002-2030) (Est. \$2008)				\$ 4,572,860,800

<sup>1</sup> As reported in SANDAG transportation cost analysis study completed by URS (see Sources).

Sources: San Diego Association of Governments, *Final 2030 Regional Transportation Plan, Mobility 2030* (February 2005), Technical Appendix 9 - Project Cost Estimates, p. 159; San Diego Association of Governments, *Transportation Project Cost Analysis* (June 17, 2005) completed by URS, p. 8-1; Table 6; MuniFinancial.

- ◆ The Unconstrained Revenue scenario (\$67 billion) was based on an analysis of transportation system needs to 2030 and identified potential revenue sources but did not specify which ones to implement.

SANDAG adopted the Reasonably Expected scenario. Under this scenario the RTP invests \$24.5 billion for projects that expand system capacity. Other improvements totaling \$17.5 billion would improve operations, maintenance, and rehabilitation of highway, road, and transit, and related facilities. The RTP expenditure plan is summarized in Table 8, below.

As shown in Table 8, the RTP allocates \$500 million for investment in the RAS. Under the Revenue Constrained and Unconstrained Revenue scenarios the total allocation is \$350 million and \$700 million, respectively.<sup>11</sup> Given the need for a \$4.6 billion total investment (Table 7), substantial additional resources are needed.

The RTP indicates that local jurisdictions need to identify matching funds for investment in the RAS because the regional funding provided through the RTP:

...is intended to be matched with revenues from the local jurisdictions, which are responsible for improving regional roadways and local streets to meet their residents needs and mitigate the effects of local land use developments.<sup>12</sup>

The RTP further indicates that a regional development impact fee as contemplated by the RTCIP is one of the potential revenues sources for supplementing RTP resources.<sup>13</sup>

<sup>11</sup> Ibid., Table 4.3, p. 46, Table 4.5, p. 49.

<sup>12</sup> Ibid., p. 103.

<sup>13</sup> Ibid., p. 50.

**Table 8: RTP Investment Plan, 2002-2030 (\$2002)**

	\$ Millions (\$2002)	
<b>Capacity Expansion Investments</b>		
New Transit Facilities	\$ 8,500	20%
Managed High Occupancy Vehicle Lane Facilities	7,450	18%
Highway System Completion/Widening Projects	3,580	9%
New Local Streets and Roads	4,430	11%
Regional Significant Arterials	<u>500</u>	<u>1%</u>
Subtotal	\$ 24,460	58%
Other Investments <sup>1</sup>	<u>17,485</u>	<u>42%</u>
Total Expenditures	\$ 41,945	100%

<sup>1</sup> Includes projects that improve the operations, maintenance, and rehabilitation of highway, road, and transit, and related facilities.

Source: San Diego Association of Governments, *Final 2030 Regional Transportation Plan, Mobility 2030* (February 2005), p. 44; MuniFinancial.

### **Specific RAS Improvement Projects**

Table 9 shows the RTP's initial planned improvements in the RAS. These projects represent a \$700 million investment under the Unconstrained Revenue scenario, or 136 additional lane miles at the 2002 cost estimate of \$5.1 million per lane mile. Under the adopted Reasonably Expected scenario the RTP allocates \$500 million, sufficient to fund 98 additional lane miles in \$2002. These projects are candidates for funding with RTCIP contributions. Funding these improvements with the RTCIP would enable RTCIP resources to expand improvements in the RAS towards full completion of the system (637 lane miles from 2002 to 2030).

### **Cost Allocation and Fee Schedule**

The vehicle trip rates described in the *Growth Projections* section, above, provide a means to allocate a proportionate share of total RAS improvements to each new development project. Trip rates are a reasonable measure of each development project's demand on the regional transportation system. New development's share of total RAS improvements is divided by total trips generated by new development to calculate a cost per trip. The cost per trip multiplied by the trips generated by a development project determines that project's fair share of total RAS improvements.

**Table 9: Regionally Significant Planned Arterial Improvements**

Arterial	Limits	Type	Jurisdiction
Balboa Ave.	Kearney Villa Rd. - Ruffin Rd.	Widen	City of San Diego
Bear Mountain Pkwy.	Canyon Rd. - Valley Pkwy.	Widen	City of Escondido
Black Mountain Rd.	Mercy Rd. - Mira Mesa Blvd.	Widen	City of San Diego
Black Mountain Rd.	Emden Rd. - Caramel Valley Rd.	Extend	City of San Diego
Cannon Rd.	Hidden Valley Rd. - Frost Rd.	Extend	City of Carlsbad
Cannon Rd.	El Camino Real - Mystra Dr.	Extend	City of Carlsbad
Cannon Rd.	Melrose Dr. - SR 78	Extend	County of San Diego
Citracado Pkwy.	I-15 - Scenic Trail Way	Extend	City of Escondido
Citracado Pkwy.	Avenida Del Diablo - Vineyard Ave.	Extend	City of Escondido
College Ave.	Montezuma Rd. - Alvarado	Widen	City of San Diego
College Ave.	El Camino Real - Carlsbad Village Dr.	Extend	City of Carlsbad
Deer Springs Rd.	I-15 - Twin Oaks Valley Rd.	Widen	County of San Diego
Del Dios Hwy.	Via Rancho Pkwy. - Valley Pkwy.	Widen	City of Escondido
East Valley Pkwy.	East Valley Blvd. - Bear Valley Pkwy.	Widen	City of Escondido
El Camino Real	Camino Santa Fe - El Camino Real	Widen	City of San Diego
El Camino Real	Manchester Ave. - Tamarack Ave.	Widen	City of Carlsbad
El Camino Real	Tamarack Ave. - SR 76	Widen	City of Oceanside
Friars Rd.	Colusa St. - Lia Las Cumbres	Widen	City of San Diego
Friars Rd.	SR-163 - Frazee Rd.	Widen	City of San Diego
Genesee Ave.	I-5 - Campus Point Dr.	Widen	City of San Diego
Genesee Ave.	Osler St. - Marlesta Dr.	Widen	City of San Diego
H Street	Bonita Vista High - Otay Lakes	Widen	City of Chula Vista
Harbor Dr.	Pacific Hwy. - California St.	Widen	City of San Diego
Heritage Rd.	Airway Rd. - Siempre Viva Rd.	Extend	City of San Diego
Jamacha Blvd.	Omega St. - Pointe Pkwy.	Widen	County of San Diego
Keamy Villa Rd.	SR 52 - Ruffin Rd.	Widen	City of San Diego
Manchester Ave.	I-5 - Lux Canyon Dr.	Widen	City of Encinitas
Melrose Dr.	Spur Ave. - N Santa Fe Ave.	Extend	City of Oceanside
Melrose Dr.	Aspen Way - Palomar Airport Rd.	Extend	City of Carlsbad
Mission Ave.	Enterprise St. - Centre City Pkwy.	Widen	City of Escondido
Oceanside Blvd.	Oceanside Blvd. - Rancho Del Oro	Widen	City of Oceanside
Siempre Viva Rd.	Heritage Rd. - La Media Rd.	Widen	City of San Diego
South Santa Fe Ave.	Mar Vista Dr. - Bosstick Blvd.	Widen	County of San Diego
Torrey Pines Rd.	N. of Callan St. - S. of Camel Valley Rd.	Widen	City of San Diego
Twin Oaks Valley Rd.	Craven Rd. - Rancho Santa Fe Rd.	Extend	City of San Marcos
Twin Oaks Valley Rd.	Deer Springs Rd. - Craven Rd.	Widen	City of San Marcos
Via de la Valle	Camino Santa Fe - El Camino Real	Widen	City of San Diego
Vista Sorrento Pkwy.	Rose Coral Row - Sorrento Valley Blvd.	Extend	City of San Diego
Vista Way	Emerald Dr. - Melrose Dr.	Widen	City of Vista

Source: San Diego Association of Governments, *Final 2030 Regional Transportation Plan, Mobility 2030 (February 2005)*, Technical Appendix 9 - Project Cost Estimates, p. 160.

The projected contribution from new residential development to the RTCIP for RAS improvements is \$594 million. This amount is shown in **Table 10** and results in a cost per trip of \$210. These amounts are based on the nexus approach taken for this analysis that allocates RAS costs to new residential development based on shares of total travel demand in 2030. They are also based on allocating to residential development the entire burden of trips associated with commercial development that serves households within the County (see earlier discussion under “Shifting Burden of Commercial Development to Residential Development”).

**Table 10: Residential Cost per Trip (Estimated for \$2008)**

<u>Allocation of Total Costs to Residential Land Uses</u>		
Total Regional Arterial System Investments (\$2008)	\$ 4,574,297,000	
New Residential Development Share of Total Trips	13.0%	
New Residential Development Share of Total Costs		\$ 594,659,000
<u>New Residential Vehicle Trips (2002-2030)</u>		
Single Family	1,443,000	
Multi-family	1,376,000	
Mobile Home	11,000	
Total New Residential Vehicle Trips		2,830,000
New Residential Development Cost per Trip (Est. \$2008)		\$ 210

Tables 5 and 7; MuniFinancial.

The cost per trip of \$210 is estimated in 2008 dollars, the first year for implementation of the RTCIP. Prior to local agency implementation of the RTCIP impact fee SANDAG will adjust this amount based on actual cost inflation to 2008 (see the *Inflation Adjustment* section in the next chapter).

The RTCIP does not specify how to impose the impact fee beyond the required contribution of \$2,000 per dwelling unit. A single fee for all dwelling units may not adequately ensure a reasonable relationship between each new development project's proportionate share of total improvements and the amount of the fee. Separate fees by major residential land use category based on trip generation rates would more likely fulfill this statutory requirement.<sup>14</sup>

A fee schedule by major residential land use category based on the calculated RTCIP cost per trip from Table 10 is shown in Table 11. Fees range from a low of \$1,166 for mobile homes to a high of \$2,331 for single family units. The average fee per dwelling unit is \$2,071. This fee is less than \$2,816, the original RTCIP fee amount of \$2,000 increased for actual and estimated inflation from 2002 to 2008 based on the rates used in Table 8. As mentioned above SANDAG will adjust this amount based on actual cost inflation to 2008 prior to local agency implementation of the RTCIP impact fee.

Local jurisdictions may adopt a fee schedule with different residential land use categories as long as the fee is based on a cost that is no higher than the maximum justified cost per trip of \$210 shown in Table 10. This approach would help ensure compliance with the *Mitigation Fee Act*.

<sup>14</sup> *Mitigation Fee Act, California Government Code, §66001(b).*

**Table 11: RTCIP Impact Fee (Estimated for \$2008)**

Land Use	Cost Per Trip	Trip Demand Factor	Fee <sup>1</sup>	New Development (dwelling units)	Estimated Revenue
Single Family	\$ 210	11.10	\$ 2,331	130,000	\$ 303,030,000
Multi-family	210	8.88	1,865	155,000	289,075,000
Mobile Home	210	5.55	1,166	2,000	2,332,000
Total Estimated Revenue					\$ 594,437,000
Total New Dwelling Units (2002-2030)					287,000
Weighted Average RTCIP Impact Fee Per Dwelling Unit (Est. \$2008)					\$ 2,071

<sup>1</sup> Fee per dwelling unit.

Sources: Tables 1, 3 and 10; MuniFinancial.

## Extension of RTCIP to Nonresidential Land Uses

The RTCIP specifically exempts all nonresidential development. However, one option for increasing contributions from new development for RAS improvements would be to apply the RTCIP to nonresidential development as well. **Table 12** shows new development's total investment in the RAS that could be made under this approach. Fee revenues would increase by a total of \$578 million, \$491 million from office and industrial development and \$87 million from commercial development (estimated in 2008 dollars).

A fee schedule by major nonresidential land use category based on the calculated RTCIP cost per trip from Table 12 is shown in **Table 13**. Fees per 1,000 building square feet range from a low of \$1,669 for industrial and \$1,784 for commercial and to a high of \$3,977 for office/services. As mentioned above these amounts should be adjusted based on actual cost inflation to 2008 prior to local agency implementation of a nonresidential impact fee.

**Table 12: Nonresidential Cost per Trip (Estimated for \$2008)**

	Office/Services & Industrial	Commercial
<b><u>New Nonresidential Development Share of Total Trips</u></b>		
Commercial <sup>1</sup>	NA	530,000
Office/Services	756,000	NA
Industrial	<u>2,253,000</u>	<u>NA</u>
New Nonresidential Vehicle Trips (2002-2030) <sup>1</sup>	3,009,000	530,000
Total Vehicle Trips (2030) <sup>1</sup>	<u>28,159,000</u>	<u>28,159,000</u>
New Nonresidential Development Share	10.7%	1.9%
<b><u>Allocation of Total Costs to Nonresidential Land Uses</u></b>		
Total Regional Arterial System Investments (\$2008)	\$ 4,574,297,000	\$ 4,574,297,000
New Nonresidential Development Share of Total Trips	10.7%	1.9%
New Nonresidential Development Share of Total Costs	\$ 489,450,000	\$ 86,912,000
<b><u>New Nonresidential Vehicle Trips (2002-2030)</u></b>		
Commercial <sup>2</sup>	NA	1,366,000
Office/Services	756,000	NA
Industrial	<u>2,253,000</u>	<u>NA</u>
Total Nonresidential Vehicle Trips (2030) <sup>1</sup>	<u>3,009,000</u>	<u>1,366,000</u>
Cost per Trip (Est. \$2008)	\$ 163	\$ 64

<sup>1</sup> For the purpose of determining new commercial development's fair share of total costs, trips exclude those associated with spending by local (San Diego County) residents. Commercial trips associated with local residential spending are used to allocate total costs to residential development (see Table 10).

<sup>2</sup> Includes local and regional commercial trips. It would be impractical to identify on a project-by-project basis that portion of new commercial development associated only with non-local residential spending. Therefore, new commercial development's fair share of total costs is allocated across all new commercial vehicle trips (see Table 5).

Tables 5 and 7; MuniFinancial.

**Table 13: Nonresidential Impact Fee (Estimated for \$2008)**

Land Use	Cost Per Trip	Trip Demand Factor	Fee <sup>1</sup>	New Development (ksf)	Estimated Revenue
Commercial	\$ 64	27.88	\$ 1,784	49,000	\$ 87,416,000
Office/Services	163	24.40	3,977	31,000	123,287,000
Industrial	163	10.24	1,669	220,000	<u>367,180,000</u>
Total Estimated Revenue (Est. \$2008)					\$ 577,883,000

<sup>1</sup> Fee per 1,000 square feet.

Sources: Tables 1, 3 and 10; MuniFinancial.

## **Implementation**

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Local agencies need to adopt a “Funding Program” to implement the RTCIP.<sup>15</sup> The Funding Program must generate the funding per new residential unit required by the RTCIP. This chapter provides guidance on use of this nexus study by local agencies to implement a Funding Program and comply with the RTCIP. “Local agencies” includes all cities in the County plus the County of San Diego for development in the unincorporated area.

The guidance provided in this study is not a substitute for legal advice and all local agencies should consult with their legal counsel regarding compliance with the *Mitigation Fee Act (Act)*. Local agencies are hereby put on notice that the findings and guidance in this study are generalized, and were created for use as a framework to be tailored by each local agency. SANDAG disclaims any responsibility for any liability to users of this study, or any other party, for any loss or damages, consequential or otherwise, including but not limited to time, money, or goodwill, arising from the use, operation or modification of the information in the study. In using this report, local agencies further agree to indemnify, defend, and hold harmless SANDAG, its officers and employees, for any and all liability of any nature arising out of or resulting from use of the study. Distribution of this study shall not constitute any warranty by SANDAG.

## **Adoption By Local Agencies**

### ***Adoption Schedule***

To meet the requirements of the *Act* and the July 1, 2008 RTCIP deadline, local agencies will need to adopt the RTCIP impact fee by May 1, 2008. This allows for the sixty-day period required under California Government Code section 60017 of the *Act* between the date of adoption and the date the fee becomes effective. The same section of the *Act* includes certain notice and public hearing requirements as well that each local agency must follow. Legal counsel should also advise on timelines, hearings requirements, and all other actions required for fee adoption by the *Act*.

### ***Ordinance, Resolution, and Nexus Study***

Local agencies may need to adopt an ordinance and resolution to implement the fee. The ordinance would provide the authority for the agency to impose the RTCIP impact fee. The resolution would specify the fee amount. Setting the fee by resolution avoids having to amend the local agency’s municipal code whenever the fee must be adjusted, facilitating annual updates to the fee for cost inflation.

The local agency fee resolution should reference a nexus study for documentation of the findings required by the *Act*. If the local agency adopts the fee schedule as shown in Table 11, above, for residential development then the fee resolution can reference this nexus study and the local agency does not have to conduct a separate study. If the local agency adopts a

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<sup>15</sup> San Diego Association of Governments, *TransNet Extension Regional Transportation Congestion Improvement Program*, Sec. A.

different fee schedule then the agency will need to conduct a new nexus study to justify the fee. The agency's fee program should still generate the same average revenue per residential unit shown in Table 11 for the agency to adequately implement the RTCIP.

### **Applying Fee To Nonresidential Development**

The local agency may also apply an impact fee to nonresidential development to fund improvements to the RAS. However, as mentioned above in the *Nexus Analysis* chapter, expansion of the RTCIP Funding Program to nonresidential development is not a requirement of the TransNet ordinance and is not necessary for a local agency to implement the RTCIP. If the agency chooses to apply the fee to nonresidential development and adopts the fee schedule as shown in Table 13, above, then the fee resolution can reference this nexus study and the local agency does not have to conduct a separate study. If the local agency adopts a different nonresidential fee schedule then the agency will need to conduct a new nexus study to justify the nonresidential fee.

## **Inflation Adjustment**

### **Adjustment to Initial Fee**

As explained above in the *Nexus Analysis* chapter, the initial RTCIP funding requirement of \$2,000 per new dwelling unit was calculated based on arterial costs in 2002 dollars. For the purposes of the nexus analysis, facility costs were estimated in 2008 dollars, the first year of implementation of the RTCIP. This analysis used the actual increase in construction costs for the period 2002 to 2005, and an estimated inflation rate for the period 2005 to 2008 (see Table 7). Prior to local agency adoption of a Funding Program in 2008, SANDAG will adjust the fee schedule shown in Table 11 for the actual increase in construction between 2005 and 2008. To make this adjustment, SANDAG will need to:

- ◆ Reduce the cost per trip shown in Table 10 (and used for the fee schedule in Table 11) by the compounded annual rate of 4.50 percent over three years used to estimate construction cost inflation from 2005 to 2008;
- ◆ Re-inflate the cost per trip from 2005 to 2008 for actual construction cost inflation during that period; and
- ◆ Re-calculate the fee schedule shown in Table 11 by the new cost per trip.

### **Annual Adjustment Following Implementation**

The TransNet ordinance provides for an annual inflation adjustment to the RTCIP impact fee on July 1 of each year beginning in 2009.<sup>16</sup> The inflation adjustment will be two percent or based on the *Engineering News Record* Construction Cost Index, whichever is higher. An index similar to the Construction Cost Index may be used. SANDAG will calculate the fee adjustment. Each local agency will need to adjust their RTCIP impact fee annually.

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<sup>16</sup> San Diego Association of Governments, *TransNet Extension Regional Transportation Congestion Improvement Program*, Sec. C.

## Collection and Administration

Each local agency will be responsible for the collection, administration, and expenditure of RTCIP impact fee revenues generated within its jurisdiction. Fee revenues should be placed in a separate fund and administered pursuant to the requirements of the *Act*. For example, interest earnings on fund balances need to be credited to the fund. In addition, the *Act* requires that the local agency provide specific information regarding fee revenues and expenditures annually and every five years in a public report.<sup>17</sup>

The Independent Taxpayer Oversight Committee (ITOC), created for the TransNet program, is responsible for reviewing local agency implementation of the RTCIP. Each local agency must submit their Funding Program for review by the ITOC by April 1, 2008. The ITOC must review and audit each local agency's program annually. The reporting requirements required by the *Act* should be sufficient to meet the ITOC's needs in this regard. If a local agency does not comply with the RTCIP the agency can lose TransNet sales tax funding for local roads.

Local agencies and SANDAG can fund the administrative costs of the RTCIP with a charge added to the RTCIP impact fee. The RTCIP allows up to three percent of program revenues to be used for program administration.<sup>18</sup> SANDAG anticipates adding a one percent administrative charge to the RTCIP fee to fund costs related to the ITOC. Local agencies may add up to two percent for their program administration costs. These charges are similar to any other user fees imposed by local agencies and are not subject to the *Act*. **These charges must be justified based on the actual program administration costs of each agency. Agencies should keep cost records and adjust the administrative charge as appropriate based on actual costs.**

## Use of Revenues

RTCIP impact fee revenues must be expended on improvements to the RAS in a manner consistent with the expenditure priorities in the most recent adopted RTP. Fee revenues may not be expended on road maintenance. RTCIP impact fee revenues may be used for any capital costs associated with improving the RAS including costs associated with:

- ◆ Arterial widenings, extensions, and turning lanes;
- ◆ Traffic signal coordination and other traffic improvements;
- ◆ Reconfigured freeway-arterial interchanges;
- ◆ Railroad grade separations; and
- ◆ Expanded regional express bus service.

Costs funded by the RTCIP impact fee may include project administration and management, design and engineering, right-of-way acquisition, and construction. The RTCIP requires that

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<sup>17</sup> California Government Code, §§66001(d) and 66006(b).

<sup>18</sup> San Diego Association of Governments, *TransNet Extension Regional Transportation Congestion Improvement Program*, Sec. D(2).

each local agency expend revenues within seven years of receipt or have an expenditure plan that justifies keeping revenues for a longer period.<sup>19</sup> The *Act* has a similar requirement with a five years limitation unless there is an expenditure plan that justifies keeping revenues for a longer period.

## Exemptions

The RTCIP program exempts the following residential development from the impact fee:<sup>20</sup>

- ◆ New moderate, low, very low, and extremely low income residential units as defined in Health & Safety Code sections 50079.5, 50093, 50105, 50106, and by reference in Government Code section 65585.1;
- ◆ Government/public buildings, public schools and public facilities;
- ◆ Rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing residential unit;
- ◆ Development projects subject to development agreements prior the effective date of the TransNet ordinance (May 28, 2004) that expressly prohibit the imposition of new impact fees, however if the terms of the development agreement are extended beyond July 1, 2008, the requirements of the RTCIP shall apply;
- ◆ Guest dwellings;
- ◆ Additional residential units located on the same parcel regulated by the provisions of any agricultural zoning;
- ◆ Kennels and catteries established in conjunction with an existing residential unit;
- ◆ The sanctuary building of a church, mosque, synagogue, or other house of worship eligible for property tax exemption;
- ◆ Residential units that have been issued a building permit prior to July 1, 2008; and
- ◆ Condominium conversions.

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<sup>19</sup> Ibid., Sec. G(4).

<sup>20</sup> Ibid, Sec. E.

## Mitigation Fee Act Findings

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Development impact fees are one-time fees typically paid when a building permit is issued and imposed on development projects by local agencies responsible for regulating land use (cities and counties). To guide the widespread imposition of public facilities fees, the State Legislature adopted the *Mitigation Fee Act (Act)* with Assembly Bill 1600 in 1987 and subsequent amendments. The *Act*, contained in *California Government Code* Sections 66000 through 66025, establishes requirements on local agencies for the imposition and administration of fee programs. The *Act* requires local agencies to document five findings when adopting a fee.

Sample text that may be used for the five statutory findings required for adoption of the RTCIP impact fee are presented in this chapter and supported in detail by the *Nexus Analysis* chapter of this report. All statutory references below are to the *Act*. This sample framework for the mitigation fee act findings is only to provide local agencies with guidance and is not a substitute for legal advice. Local agencies should customize the findings for their jurisdiction and consult with their legal counsel prior to adoption of the RTCIP impact fee.

### Purpose of Fee

For the first finding the local agency must:

Identify the purpose of the fee. (§66001(a)(1))

SANDAG policy as expressed through the TransNet Extension Ordinance and Expenditure Plan (Commission Ordinance 04-01) is that new development shall contribute towards the Regional Arterial System (RAS) through the Regional Transportation Congestion Improvement Program (RTCIP). The purpose of the RTCIP impact fee is to implement this policy. The fee advances a legitimate public interest by enabling SANDAG to fund improvements to transportation infrastructure required to accommodate new development.

### Use of Fee Revenues

For the second finding the local agency must:

Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged. (§66001(a)(2))

The RTCIP impact fee will fund expanded facilities on the Regional Arterial System (RAS) to serve new development. These facilities include:

- ◆ Roadway widening;
- ◆ Roadway extension;

- ◆ Traffic signal coordination and other traffic improvements;
- ◆ Freeway interchanges and related freeway improvements;
- ◆ Railroad grade separations; and
- ◆ Improvements required for regional express bus and rail transit.

Costs for planned traffic facilities are preliminarily identified in this report. Costs funded by the RTCIP impact fee may include project administration and management, design and engineering, right-of-way acquisition, and construction. More detailed descriptions of planned facilities, including their specific location, if known at this time, are shown in the *Regional Transportation Plan* and other documents. Local agencies implementing the RTCIP may change the list of planned improvements to meet changing circumstances and needs, as they deem necessary. Fee revenues will be used for the sole purpose of expanding capacity on the RAS to accommodate new development. The RTCIP impact fee will not be used for the purpose of correcting existing deficiencies in the roadway system.

## Benefit Relationship

For the third finding the local agency must:

Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. (§66001(a)(3))

The local agency will restrict fee revenues to capital projects that expand capacity on the RAS to serve new development. Improvements funded by the RTCIP impact fee will expand a region-wide arterial system accessible to the additional residents and workers associated with new development. SANDAG has determined that the planned projects identified in this report will expand the capacity of the Regional Arterial System to accommodate the increased trips generated by new development. Thus, there is a reasonable relationship between the use of fee revenues and the residential and nonresidential types of new development that will pay the fee.

## Burden Relationship

For the fourth finding the local agency must:

Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. (§66001(a)(4))

New dwelling units and building square footage are indicators of the demand for transportation improvements needed to accommodate growth. As additional dwelling units and building square footage are created, the occupants of these structures generate additional vehicle trips and place additional burdens on the transportation system.

The need for the RTCIP impact fee is based on SANDAG transportation model projections of growth that show an increase in vehicle hours of delay on the RAS primarily as a result of new development even with planned improvements to that system. The model estimated impacts from new development based on trip generation rates that varied by land use

category, providing a reasonable relationship between the type of development and the need for improvements.

## **Proportionality**

For the fifth finding the SANDAG must:

Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. (§66001(b))

This reasonable relationship between the RTCIP impact fee for a specific development project and the cost of the facilities attributable to that project is based on the estimated vehicle trips the project will add to the Regional Arterial System. The total fee for a specific residential development is based on the number and type of new dwelling units multiplied the trip generation rate for the applicable residential land use category. The fee for a specific nonresidential development is based in a similar manner on the amount of building square footage by land use category. Larger projects generate more vehicle trips and pay a higher fee than smaller projects of the same land use category. Thus, the fee schedule ensures a reasonable relationship between the RTCIP impact fee for a specific development project and the cost of the Regional Arterial System improvements facilities attributable to the project.

## Appendix A: Regional Arterial System

Table A.1 lists the arterials included in the Regional Arterial System by the *Regional Transportation Plan* adopted in 2005.

**Table A.1: Regional Arterial System**

Arterial	Limits
1st St	A St - K St.
2nd St	Greenfield Dr - Main St
30th St	National City Blvd - 2 <sup>nd</sup> St
32nd St	Harbor Dr - Norman Scott Rd
54th St	El Cajon Blvd - SR94
70th St	University Ave - I-8
Ardath Rd	Hidden Valley Rd - I-5
Avocado Ave	Main St - Chase Ave
Avocado Blvd	Chase Ave - SR94
Balboa Ave	Mission Bay Dr - I-15
Ballantyne St	Broadway - Main St
Barham Dr	La Moree Rd - Mission Rd
Barnett Ave	Saint Charles St - Pacific Highway
Bay Marina Way (24th St)	I-5 - Terminal Ave
Bear Valley Pkwy	East Valley Pkwy - Sunset Dr
Bernardo Center Dr	Camino Del Norte - I-15
Beyer Blvd	Main St - Dairy Mart Road
Black Mountain Rd	Del Mar Heights - Pomerado Rd
Bobier Dr	Melrose Dr - E Vista Way
Bonita Rd	E St - San Miguel Rd
Borden Rd	Las Posas Rd - Woodland Pkwy
Borrego Springs Rd/Yaqui Pass Rd (S-3)	Palm Canyon Dr (S-22)- SR78
Bradley Ave	Marshall Ave - 2nd St
Broadway (El Cajon)	SR67 - E. Main St.
Broadway (Lemon Grove)	Spring St - College Ave
Broadway (San Diego)	C St - Main St
Broadway (Vista)	Lincoln Pkwy/SR78 - Washington Ave
Buckman Springs Rd/Hwy 80/Sunrise Hwy (S-1)	SR94 - SR79
Buena Creek Rd	Las Posas Rd - Twin Oaks Valley Rd
Cabrillo Dr (SR209)	Cochran St - Cabrillo Monument
Camino del Norte	Camino Ruiz - Pomerado Rd
Camino Del Rio North	Mission Center Rd - Mission Gorge Rd
Camino Ruiz	Camino del Norte - SR56
Camino Santa Fe Ave	Sorrento Valley Blvd - Miramar Rd
Cannon Rd	Carlsbad Blvd - Melrose Dr
Cannon Road	Melrose Drive - SR 78
Canon St	Rosecrans St - Jennings St
Carlsbad Blvd	Eaton St - La Costa Ave

**Table A.1: Regional Arterial System (continued)**

Arterial	Limits
Carlsbad Village Dr	I-5 - Coast Blvd/Coast Hwy
Carmel Mountain Rd	Sorrento Valley Rd - El Camino Real
Carmel Valley Rd	North Torrey Pines Rd - El Camino Real
Centre City Pkwy	I-15(N) - I-15(S)
Citracado Pkwy	Centre City Pkwy - SR78
Clairemont Mesa Blvd	I-15 - Moraga Ave
Coast Hwy (S-21)	La Costa Ave - Via de la Valle
College Ave	Federal Blvd - Waring Rd
College Blvd	North River Rd - Palomar Airport Rd
Community Rd	Twin Peaks Rd - Scripps Poway Pkwy
Convoy St	Linda Vista Rd - SR 52
Crosby St	I-5 - Harbor Dr
Cuyamaca St	Mission Gorge Rd - Marshall Ave
Dairy Mart Rd	SR-905 - I-5
Deer Springs Rd	Twin Oaks Valley Rd - I-15
Dehesa Road	Jamacha Rd - Harbison Canyon Rd
Dehesa Road*	Harbison Canyon Rd - Sycuan Rd
Del Dios Hwy	Via Rancho Pkwy - Claudan Rd
Del Mar Heights Rd (SA 710)	I-5 - Camino Del Norte
Discovery St	San Marcos Blvd - La Moree Rd
Douglas Dr	SR76 (Mission Ave) - North River Rd
E St	I-5 - E Bonita Rd
East H St	Hilltop Dr - Mount Miguel Rd
East Main St	Broadway - Greenfield Dr
East Valley Pkwy	Lake Wohlford Rd - East Valley Pkwy
East Via Rancho Pkwy	Broadway - Bear Valley Pkwy
East Vista Way	Vista Village Dr - SR76
El Cajon Blvd	Park Blvd - I-8
El Cajon Blvd	Chase Ave - Washington Ave
El Camino Real	Via de la Valle - Carmel Valley Rd/SR56
El Camino Real	SR 56 - Carmel Mountain Rd
El Camino Real (S-11)	Douglas Dr - Manchester Ave
El Norte Pkwy	Woodland Pkwy - Washington Ave
Encinitas Blvd	First St - El Camino Real
Espola Rd	Summerfield Ln - Poway Rd
Euclid Ave	SR94 - Sweetwater Rd
Fairmount Ave	I-8 - El Cajon Blvd
Faraday Ave	Melrose Dr - College Blvd
Federal Blvd	College Ave - SR94
Fletcher Pkwy	I-8 - SR-67
Friars Rd	Sea World Dr - Mission Gorge Rd
Garnet Ave	Balboa - Mission Bay Dr
Genesee Ave	N. Torrey Pines Rd - SR163
Gilman Dr	La Jolla Village Dr - I-5
Grand Ave	Mission Blvd to Mission Bay Dr

**Table A.1: Regional Arterial System (continued)**

Arterial	Limits
Grape St	North Harbor Dr - I-5
Greenfield Dr	E Main St - I-8
Grossmont Center Dr	I-8 - Fletcher Pkwy
H St	I-5 - Hilltop Dr
Harbor Dr	Pacific Hwy - I-5 (National City)
Hawthorn St	I-5 - North Harbor Dr
Heritage Rd	Otay Mesa Rd - Siempre Viva Rd
Hill St	I-5 (Oceanside) - Eaton St
Hunte Pkwy	Proctor Valley Rd - SR 125
Imperial Ave	Valencia Pkwy - Lisbon St
Jackson Dr	Mission Gorge Rd - I-8
Jamacha Blvd	Sweetwater Pkwy - SR94
Jamacha Rd	Main St - SR94
Kearny Villa Rd	Pomerado Rd - Waxie Way
Kettner Blvd	I-5 - India St
L St	I-5 - I-805
La Costa Ave	Carlsbad Blvd - El Camino Real
La Jolla Village Dr	North Torrey Pines Rd - I-805
La Medla Rd	Telegraph Canyon Rd - SR905
La Mesa Blvd	University Ave - I-8
Lake Jennings Rd	Mapleview St - I-8
Lake Murray	I-8 - Navajo Rd
Lake Wohlford Rd	Valley Ctr Road (N) - Valley Ctr Rd (S)
Las Posas Rd	Discovery St - Buena Creek Rd
Laurel St	North Harbor Dr - I-5
Lemon Grove Ave	Lisbon St - SR94
Leucadia Blvd	1st St - El Camino Real
Linda Vista Rd	Morena Blvd - Convoy St
Lomas Santa Fe Ave	I-5 - Coast Hwy
Lytton St	Rosecrans St - Saint Charles St
Main St	I-5 - Hilltop Dr
Manchester Ave	El Camino Real - I-5
Mapleview St	SR67 - Lake Jennings Rd
Mar Vista Dr	Buena Vista Dr - SR78
Market St	Harbor Dr - Valencia Pkwy
Marshall Ave	Fletcher Pkwy - West Main St
Marshall Ave	Cuyamaca - Fletcher Pkwy
Marshall Ave	Main St - Washington Ave
Massachusetts Ave	Broadway - University Ave
Massachusetts Ave	Lemon Grove Ave - Broadway Ave
Melrose Dr	SR76 - Rancho Santa Fe Rd
Mira Mesa Blvd	I-805 - I-15
Miramar Rd	I-805 to I-15
Mission Ave	Andreason Dr - Center City Pkwy
Mission Ave	Escondido Blvd - Broadway Ave
Mission Ave	Coast Hwy - Frazee Rd

**Table A.1: Regional Arterial System (continued)**

Arterial	Limits
Mission Bay Dr	Grand Ave to I-5
Mission Gorge Rd	I-8 - Magnolia Ave
Mission Rd	Rancho Santa Fe Rd - Andreason Dr
Mission Road (S-13; incl. Main St in Fallbrook)	I-15 - SR76
Montezuma Rd	Fairmount Ave - El Cajon Blvd
Montezuma Valley Rd/Palm Canyon Dr (S-22)	SR79 - Imperial Co Line
Morena Blvd	Balboa Ave - I-8
National City Blvd	I-5 - C St
Navajo Rd	Waring Rd - Fletcher Pkwy
Nimitz Blvd	I-8 - Harbor Dr
Nobel Dr	I-5 - I-805
Nordahl Rd	SR78- Nordahl Rd
North Harbor Dr	Rosecrans St - Grape St
North River Rd	Douglas Dr - SR76 (Mission Rd)
North Santa Fe Ave	SR76 - Melrose Dr
North Torrey Pines Rd (S-21)	Carmel Valley Rd - La Jolla Village Dr
Ocean View Hills Pkwy	I-805 - SR905
Oceanside Blvd	Hill St - Melrose Dr
Old Highway 80	SR79 - Sunrise Hwy
Old Highway 80	Buckman Springs Rd - I-8 (In-ko-pah)
Olivehain Rd	El Camino Real - Rancho Santa Fe Rd
Olympic Pkwy	Brandywine Ave - SR125
Orange Ave	Palomar St - Brandywine Ave
Otay Lakes Rd	Bonita Rd - SR 94
Otay Mesa Rd	SR905 - SR125
Otay Valley Rd	Hilltop Dr - Heritage Rd
Pacific Highway	Sea World Dr - Harbor Dr
Palm Ave	I-5 - I-805
Palomar Airport Rd	Carlsbad Blvd - Business Park Dr
Palomar St	I-5 - Orange Ave
Paradise Valley Rd	8th Street - Sweetwater Pkwy
Paseo Ranchero	East H St - Otay Mesa Rd
Plaza Blvd	National City Blvd - 8th St
Poinsettia Lane	Carlsbad Blvd - Melrose Dr
Pomerado Rd	I-15 (N) - I-15 (S)
Poway Rd	I-15 - SR67
Proctor Valley Rd	Mount Miguel Rd - Hunte Pkwy
Questhaven Rd	Twin Oaks Valley Rd - Rancho Santa Fe Rd
Rancho Bernardo Rd	I-15 - Summerfield Ln
Rancho Del Oro Dr	SR 78 - SR 76
Rancho Penasquitos Blvd	SR56 - I-15
Rancho Santa Fe Rd	Mission Rd - Olivenhain Rd
Regents Rd	Moraga Ave - Genesee Ave
Rosecrans St	I-8 - Canon St
Ruffin Rd	Waxie Way - Balboa Ave
San Felipe Rd/Great S. Overland Route (S-2)	S-22 - Imperial Co Line

**Table A.1: Regional Arterial System (continued)**

Arterial	Limits
San Marcos Blvd	Business Park Dr - Mission Rd
Scripps Poway Pkwy	I-15 - SR67
Sea World Dr	W Mission Bay Dr - Morena Blvd
Siempre Viva Rd	Heritage Rd - SR905
Sorrento Valley Blvd	Sorrento Valley Rd - Camino Santa Fe Ave
Sorrento Valley Rd	Carmel Mountain Rd - I-805
South Santa Fe Ave	Broadway (Vista) - Pacific St
Sports Arena Blvd	Sea World Dr - Rosecrans St/SR209
Spring St	I-8 - SR125
SR75	No limits
Sunrise Highway	SR79 - I-8
Sunset Cliffs Blvd	I-8 - W Mission Bay Dr
Sweetwater Rd	2nd St - Willow St
Sweetwater Rd	2nd St to Willow St
Sweetwater Road	Broadway Ave - Troy St
Sycamore Avenue	South Santa Fe Avenue - S. Melrose Dr
Ted Williams Pkwy	I-15 - Twin Peaks Rd
Telegraph Canyon Rd	I-805 - Otay Lakes Rd
Torrey Pines Rd	Prospect Pl - La Jolla Village Dr
Twin Oaks Valley Rd	Deer Springs Rd - Questhaven Rd
Twin Peaks Rd	Pomerado Rd - Espola Rd
Twin Peaks Rd	Ted Williams Pkwy - Espola Rd
University Ave	54th St - La Mesa Blvd
Valencia Pkwy	Market - Imperial Ave
Valley Center Rd	SR76 - Lake Wohlford Rd
Vandegrift Blvd	North River Rd - Camp Pendleton
Via de la Valle	Hwy 101 (S-21) - El Camino Real
Via Rancho Pkwy	I-15 - Del Dios Hwy
Via Rancho Pkwy	Sunset Dr - I-15
Vista Sorrento Pkwy	Sorrento Valley Blvd - Carmel Mtn Rd
Wabash Blvd	Norman Scott Rd - I-5
Washington Ave	El Norte Pkwy - Center Valley Pkwy
Washington Ave	El Cajon Blvd - Jamacha Rd
Washington St	Pacific Hwy - Park Blvd
West Main St	I-8 - Marshall Ave
West Valley Pkwy	Claudan Rd - Broadway
West Vista Way	Jefferson St/SR78 - Vista Village Dr
Wildcat Canyon Rd*	Mapleview Street - San Vicente Rd
Willow St	Sweetwater Rd - Bonita Rd
Willow St	Sweetwater - Bonita Rd
Willows Road	I-8 - Viejas Casino
Winter Gardens Blvd	SR67 - Greenfield Dr
Woodland Dr	Barham Dr - El Norte Pkwy
Woodside Ave	Magnolia Ave - SR67

\* Inclusion in Regional Arterial System contingent upon designation as a four-lane arterial by the County of San Diego.

## Appendix B: Retail Spending and Sales Analysis

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This appendix presents the analysis conducted to estimate the amount of commercial development within San Diego County that is associated with spending by local (San Diego County) households. The following steps summarize the approach taken for the analysis and are explained in more detail below.

1. Estimate total potential spending by local households based on estimates of per household spending by retail category;
2. Compare total local household spending potential with total retail sales to estimate by retail category:
  - a. Leakage of spending by local households to retail establishments outside the County,
  - b. Capture of sales from visitors outside the County by local retail establishments;
3. Calculate the share of retail sales associated with local household spending; and
4. Validate the estimate of total local household spending by analyzing visitor industry data.

All data is from 2004 because this was the last complete year of retail sales data available from the State Board of Equalization (SBOE) at the time of this report.

### Total Household Spending

Total spending by San Diego households is estimated by adjusting per household spending based on statewide data for the difference in median household income between the State and the County.

As an initial step in the analysis, statewide taxable retail sales by category were compared with San Diego County sales to determine if any anomalies existed in San Diego sales patterns that should be accommodated in the model. As shown in **Table B.1**, San Diego has about \$44 billion in taxable retail sales in 2004 compared to statewide sales of \$500 billion. Sales patterns in the County are very similar to the statewide sales though the County has slightly more spending in retail stores compared to non-retail stores. The retail store categories that exhibit higher levels of spending compared to the state as a whole (apparel, general merchandise, specialty, and food and beverage) are associated with visitor spending, indicative of San Diego's strong tourism industry. We also conjecture that the higher levels of spending in the building material category are associated with spending by Mexican visitors, though we could not find specific data to support this hypothesis.

Table B.1 - Taxable Retail Sales (2004)

Retail Category	Taxable Retail Sales 2004 (\$000s)		Percent of Category		
	San Diego County	California	San Diego County	California	Difference
<b>Apparel Stores</b>					
Women's Apparel	420,000	4,617,000	0.9%	0.9%	0.0%
Men's Apparel	107,000	1,034,000	0.2%	0.2%	0.0%
Family Apparel	907,000	8,819,000	2.0%	1.8%	0.3%
Shoes	210,000	2,487,000	0.5%	0.5%	(0.0%)
Subtotal	1,644,000	16,957,000	3.7%	3.4%	0.3%
<b>General Merchandise</b>					
General Merchandise	4,721,000	47,948,000	10.6%	9.6%	1.0%
Drug Store	484,000	5,992,000	1.1%	1.2%	(0.1%)
Subtotal	5,205,000	53,940,000	11.7%	10.8%	0.9%
<b>Specialty</b>					
Gift, Art Goods, Novelty	167,000	1,858,000	0.4%	0.4%	0.0%
Sporting Goods	353,000	3,652,000	0.8%	0.7%	0.1%
Florists	122,000	1,078,000	0.3%	0.2%	0.1%
Photo Equip., and Supplies	37,000	523,000	0.1%	0.1%	(0.0%)
Musical Instruments	121,000	1,516,000	0.3%	0.3%	(0.0%)
Stationery and Books	356,000	4,018,000	0.8%	0.8%	(0.0%)
Jewelry	258,000	2,638,000	0.6%	0.5%	0.1%
Office and School Supply	1,411,000	15,661,000	3.2%	3.1%	0.0%
Other Specialties	1,716,000	18,018,000	3.9%	3.6%	0.3%
Subtotal	4,541,000	48,962,000	10.2%	9.8%	0.4%
<b>Grocery</b>					
Grocery - All Type Liq.	1,005,000	12,550,000	2.3%	2.5%	(0.2%)
Grocery - All Other	732,000	7,276,000	1.6%	1.5%	0.2%
Subtotal	1,737,000	19,826,000	3.9%	4.0%	(0.1%)
<b>Food and Beverage</b>					
Restaurant - No Alcohol	1,890,000	19,960,000	4.3%	4.0%	0.3%
Restaurant - Bar - Beer-Wine	795,000	10,792,000	1.8%	2.2%	(0.4%)
Restaurant - Bar -All Type Liq.	1,363,000	12,523,000	3.1%	2.5%	0.6%
Subtotal	4,048,000	43,275,000	9.1%	8.7%	0.4%
<b>Household</b>					
Home Furnishings	1,162,000	11,991,000	2.6%	2.4%	0.2%
Household Appliances	387,000	4,414,000	0.9%	0.9%	(0.0%)
Subtotal	1,549,000	16,405,000	3.5%	3.3%	0.2%
<b>Building Material</b>					
Building Material	2,849,000	25,603,000	6.0%	5.1%	0.8%
Hardware Stores	231,000	3,392,000	0.5%	0.7%	(0.2%)
Plumbing and Elec. Supply	414,000	4,086,000	0.9%	0.8%	0.1%
Paint, Glass, Wallpaper	47,000	1,074,000	0.1%	0.2%	(0.1%)
Subtotal	3,341,000	34,155,000	7.5%	6.8%	0.7%
<b>Automotive</b>					
Auto Dealers - New	5,541,000	59,683,000	12.5%	11.9%	0.5%
Auto Dealers - Used	551,000	5,752,000	1.2%	1.2%	0.1%
Auto Supplies and Parts	421,000	5,334,000	0.9%	1.1%	(0.1%)
Service Stations	2,805,000	32,760,000	6.3%	6.6%	(0.2%)
Subtotal	9,318,000	103,529,000	21.0%	20.7%	0.3%
<b>Other Retail Stores</b>					
Liquor Stores	166,000	2,350,000	0.4%	0.5%	(0.1%)
Second-hand Merch.	66,000	534,000	0.1%	0.1%	0.0%
Farm Impl. Dealers	177,000	2,976,000	0.4%	0.6%	(0.2%)
Farm and Garden Supply	95,000	2,386,000	0.2%	0.5%	(0.3%)
Fuel and Ice Dealers	9,000	321,000	0.0%	0.1%	(0.0%)
Mobile Home and Camper	108,000	1,453,000	0.2%	0.3%	(0.0%)
Boat, Motorcycle, Plane	321,000	3,104,000	0.7%	0.6%	0.1%
Subtotal	962,000	13,124,000	2.2%	2.6%	(0.5%)
Subtotal Retail Stores	32,345,000	350,173,000	72.7%	70.0%	2.7%
<b>Non-Retail Stores</b>					
Business and Personal Services	2,147,000	22,307,000	4.8%	4.5%	0.4%
All Other Outlets	9,978,000	127,597,000	22.4%	25.5%	(3.1%)
Subtotal	12,125,000	149,904,000	27.3%	30.0%	(2.7%)
Total	44,470,000	500,077,000			

Source: Taxable Sales in California (Sales &amp; Use Tax) During 2004, California State Board of Equalization.

To separate out household from business spending, all household spending is assumed to occur in retail stores and all business-to-business spending is assumed to occur in non-retail stores. As shown in Table B.1, non-retail stores include "Business and Personal Services" and "All Other Outlets". Both categories are largely composed of retail establishments that sell primarily to businesses. The "All Other Outlets" category primarily includes manufacturing, warehousing and other establishments that sell primarily to businesses. There is some overlap in the source of spending (household versus business) across all retail (store and non-store) categories but this overlap is assumed to be largely offsetting between total retail store and total non-store spending. This approach is commonly used in retail spending and sales analysis to separate household from business spending.

Per household spending estimates were generated based on statewide data for retail stores adjusted for the difference in median household income between the State and the County. San Diego's median income is about one percent less than the State's median income resulting in a commensurate adjustment to state per household spending patterns by retail store category.

San Diego per household spending is multiplied by the number of households in San Diego to estimate total spending for 2004. As shown in Table B.2 this approach results in a total spending potential for San Diego households of \$30 billion.

**Table B.2 - Household Taxable Retail Spending Potential (2004)**

Major Business Group	Total Spending California		Per Household Spending		Total Spending San Diego
	Households	Householdes (\$000s)	State	San Diego County	Households (\$000s)
Households			12,015,591	1,043,221	
Median Household Income			\$ 47,493	\$ 47,067	
<i>Household Spending and Sales</i>			<i>Per Household Spending</i>		
Apparel Stores	\$	16,957,000	\$ 1,411	\$ 1,399	\$ 1,459,000
General Merchandise		53,940,000	4,489	4,449	4,641,000
Specialty		48,962,000	4,075	4,038	4,213,000
Grocery		19,826,000	1,650	1,635	1,706,000
Food and Beverage		43,275,000	3,602	3,569	3,724,000
Household		16,405,000	1,365	1,353	1,412,000
Building Material		34,155,000	2,843	2,817	2,939,000
Automotive		103,529,000	8,616	8,539	8,908,000
Other Retail Stores		13,124,000	1,092	1,082	1,129,000
Total - Consumer	\$	350,173,000	\$ 29,143	\$ 28,882	\$ 30,131,000

Source: U.S. Census, Table P53; California Department of Finance, Rerpot E-5; Table A.1; MuniFinancial.

## Capture and Leakage

Capture and leakage are common concepts used in retail analysis. Not all local household spending occurs in San Diego County; some spending leaks out to other areas when residents travel or are otherwise attracted to retail opportunities outside the County. Furthermore, not all retail store sales in San Diego County are generated by local households; some are captured by stores from customers visiting the County from other locations including Mexico. Given San Diego's attractiveness as a tourist destination and its proximity to the Mexican border, one would expect that a significant share of total retail store sales would represent capture of visitor spending.

Given this regional economic context, we estimated leakage rates by major store category to calculate net local household spending in San Diego County by category. We then compared this estimate of spending with actual sales by store category and calculated the amount of outside capture that the category would need to force local household spending to equal local sales. This analysis is shown in Table B.3. The model resulted in a leakage estimate of eight percent of household spending, and capture estimate of 14 percent of retail store sales. The differences between the estimates of local spending and sales by category shown in the middle columns are due to rounding.

**Table B.3 - San Diego County Local Household Taxable Retail Spending & Sales (2004)**

Major Business Group	A Potential Spending San Diego Households		C = A x (1 - B)    D = C / E    E = G x (1 - F) Local Spending/Sales Reconciliation			F = 1 - (C / G)    G Actual Sales San Diego	
	(\$000s)	Leakage	Spending (\$000s)	Diff- erence <sup>1</sup>	Based on Sales (\$000s)	Outside Capture	County Sales (\$000s)
Apparel Stores	\$ 1,459,000	15%	\$ 1,240,000	1%	\$ 1,233,000	25%	\$ 1,644,000
General Merchandise	4,641,000	15%	3,945,000	(0%)	3,956,000	24%	5,205,000
Specialty	4,213,000	15%	3,581,000	(0%)	3,587,000	21%	4,541,000
Grocery	1,706,000	0%	1,706,000	0%	1,702,000	2%	1,737,000
Food and Beverage	3,724,000	15%	3,165,000	0%	3,157,000	22%	4,048,000
Household	1,412,000	0%	1,412,000	0%	1,410,000	9%	1,549,000
Building Material	2,939,000	0%	2,939,000	(0%)	2,940,000	12%	3,341,000
Automotive	8,908,000	0%	8,908,000	(0%)	8,945,000	4%	9,318,000
Other Retail Stores	1,129,000	15%	960,000	(0%)	962,000	0%	962,000
<b>Total</b>	<b>\$ 30,131,000</b>	<b>8%</b>	<b>\$ 27,856,000</b>	<b>(0%)</b>	<b>\$ 27,892,000</b>	<b>14%</b>	<b>\$ 32,345,000</b>
<b>Leakage/Capture Total</b>		<b>\$ 2,275,000</b>				<b>\$ 4,453,000</b>	

<sup>1</sup> Difference not equal to zero due to rounding.

Source: Tables A.1 and A.2; MuniFinancial.

The leakage rates in Table B.3 that determine the local spending amounts and outside capture rates were estimated based on (1) survey data of visitor spending in San Diego estimating spending by retail category, and (2) an assumptions that comparison goods such as apparel and general merchandise are likely to have higher leakage rates compared to convenience goods such as groceries. Local households are most likely to spend on comparison goods and travel related activities outside the County in the "apparel stores", "general merchandise", "specialty", and "food and beverage" categories. For these categories a leakage rate of 15 percent was estimated. For all other categories all household spending was assumed to remain local (zero leakage). The "other retail store" was a special case in that

it was the only category where potential local spending was greater than total sales. For this category we assumed a 15 percent leakage rate to generate a zero percent capture rate.

## Local Spending Share of Total Sales

The share of total retail sales in the County associated with spending by local residential development can be calculated from the results of Tables B.1 and B.3. As shown in Table B.4, an estimated 62.6 percent of total retail spending (store and non-store) is associated with spending by residential development (households) located in San Diego County.

**Table B.4: Allocation of Taxable Retail Spending in San Diego County (2004)**

	Taxable Retail Sales (\$000s)	Share
Total Taxable Retail Spending	\$44,470,000	100.0%
Local Residential Taxable Spending	27,856,000	62.6%
Local Business and Visitor Taxable Spending	16,614,000	37.4%

Sources: Tables B.1, and B.3; MuniFinancial.

## Visitor Industry Spending

Visitor industry spending was analyzed to validate the estimate of retail spending associated with local households. Data regarding spending by overnight visitors from the San Diego Conventions and Visitor Bureau (SDCVB) was supplemented with research on cross-border spending by residents of Mexico (primarily day visitors) to construct a comprehensive model of visitor spending. As shown in Table B.5, visitors spent about \$8.249 billion in San Diego County in 2004. Of the amount about \$3.901 billion was associated with hotel accommodations, food, drugs, services, and other non-retail taxable items. Taxable retail spending equaled the remaining \$4.348 billion split between two categories, “restaurants and dining” and “shopping”. This estimate of taxable retail spending is nearly equal to the estimated \$4.489 billion in capture shown at the bottom of Table B.3, suggesting that the model’s estimates of local household spending based on the SBOE data and estimated leakage rates are reasonable.

**Table B.5: Visitor Industry Retail Spending (2004)**

	Total Visitor Spending		Non-taxable Retail Sales	Taxable Retail Sales
	Percent	Amount		
<i>Visitor Spending (Non-Mexican Visitors - see Note)</i>				
Lodging	24%	\$ 1,324,000	\$ 1,324,000	\$ -
Restaurants & Dining <sup>1</sup>	33%	1,821,000	273,000	1,548,000
Attractions & Entertainment	10%	552,000	552,000	-
Shopping	23%	1,269,000	-	1,269,000
Other	10%	552,000	552,000	-
Subtotal	100%	\$ 5,518,000	2,701,000	\$ 2,817,000
<i>Visitor Spending (Mexican Visitors - see Note)</i>				
Lodging <sup>2</sup>	[Incl. in "Other"]		NA	NA
Restaurants & Dining <sup>1,3</sup>	5%	137,000	21,000	116,000
Attractions & Entertainment <sup>2</sup>	[Incl. in "Other"]		NA	NA
Shopping <sup>4</sup>	52%	1,420,000	-	1,420,000
Other <sup>5</sup>	43%	1,174,000	1,174,000	-
Subtotal	100%	\$ 2,731,000	\$ 1,195,000	\$ 1,536,000
<i>Total Taxable Retail Visitor Spending</i>				
Lodging				NA
Restaurants & Dining				\$ 1,664,000
Attractions & Entertainment				NA
Shopping				2,689,000
Other (primarily groceries)				-
Total				\$ 4,353,000

Note: Non-Mexican visitor spending data based on San Diego Conventions & Visitor Bureau (SDCVB) estimates. Shares by category based on a 2002 visitor survey. The survey focused on overnight visitors and therefore excluded most spending by visitors from Mexico because a large majority of visits are day trips. This study assumes that the SDCVB estimates exclude all Mexican visitor spending. Mexican visitor spending is based on the Ghaddar and Brown study.

<sup>1</sup> Non-taxable retail sales represent tips for service estimated by SDCVB. Same percentage applied to estimate of visitor spending from Mexico.

<sup>2</sup> The Ghaddar and Brown study did not separate out this category in estimates of spending.

<sup>3</sup> Ghaddar and Brown study did not separate out this category for California estimates. Share of spending estimated at one-half of share estimated for Texas and Arizona Mexican visitors based on a higher percentage of day trips in California. Share deducted from food and groceries category.

<sup>4</sup> Includes the clothing (46 percent) and appliances and furniture (six percent) from Ghaddar and Brown study.

<sup>5</sup> Includes groceries (32 percent) personal hygiene (five percent) and other (six percent) from Ghaddar and Brown study.

Sources: San Diego Conventions & Visitor Bureau, *San Diego County Visitor Industry Summary (2004)*; San Diego Conventions & Visitors Bureau, email from Susan Bruinzeel, June 11, 2006; Ghaddar, Suad and Cynthia J. Brown, *The Economic Impact of Mexican Visitors Along the U.S.-Mexico Border: A Research Synthesis*, Center for Border Economic Studies, University of Texas-Pan American, December 2005, Table 4, Figures 1,2, and 3; MuniFinancial.

The only significant discrepancy between the visitor spending estimates based on SDCVB and Mexican visitor survey data, and the outside capture estimates based on the SBOE data, is in the food and beverage category. The visitor spending data for restaurants and dining, substantially the same category as the SBOE food and beverage category, resulted in an

estimate of \$1,664 million in taxable spending (see Table B.5). The SBOE model resulted in an outside capture estimate of \$883 million (see the difference between total sales and the local spending estimate for this category in Table B.3). The visitor spending estimate of \$1,664 million would represent a significant share, about 41 percent, of total sales in the SBOE food and beverage category. Consequently, we suspect that the visitor survey data probably overestimates spending in this category. Rather than reduce estimates of total capture, the approach taken for this study assumes that the visitor survey data underestimates taxable retail spending by an equal amount across all other categories. Therefore the estimate of total retail sales associated with local household spending remains a reasonable estimate for the purposes of this analysis (shifting the burden of commercial traffic associated with local household spending to residential land uses).



**STAFF REPORT  
CITY OF IMPERIAL BEACH**

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**FROM:** GARY BROWN, CITY MANAGER  
**MEETING DATE:** MARCH 19, 2008  
**ORIGINATING DEPT.:** PUBLIC WORKS *HAB*  
**SUBJECT:** ADOPTION OF THE REVISED JURISDICTIONAL URBAN RUNOFF MANAGEMENT PROGRAM (JURMP) AND AUTHORIZATION FOR THE PUBLIC WORKS DIRECTOR TO SIGN AND FORWARD THE CITY'S REVISED JURMP TO THE REGIONAL WATER QUALITY CONTROL BOARD, SAN DIEGO REGION

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**BACKGROUND:**

On February 6, 2002, the City Council adopted Resolution No. 2002-5563 – Adoption of the City of Imperial Beach Jurisdictional Urban Runoff Management Plan (JURMP). Development of the JURMP was mandated by the State of California through Order No. 2001-01, also known as the San Diego Municipal Storm Water Permit. The JURMP laid out the City's policies regarding urban runoff management and is the primary urban runoff guidance document for use by City employees.

The San Diego Regional Water Quality Control Board (SDRWQCB) oversees compliance with the Municipal Storm Water Permit. The Municipal Storm Water Permit was renewed on January 24, 2007, as Order R9-2007-0001. The Order required the City as one of 21 Copermittees to provide a revised JURMP to the Principal Permittee no later than January 24, 2008, subsequently amended by the SDRWQCB to March 24, 2008. This revised JURMP was to describe all activities the City would undertake to implement the requirements of Order R9-2007-0001. The effective implementation date for the revised JURMP and all of its components was to be January 24, 2008.

**DISCUSSION:**

Staff has completed the revision to the JURMP by preparing a complete rewrite of the document. The revised JURMP will supersede and rescind the 2002 JURMP. The revised JURMP is a total account of how the City plans to protect and improve water quality of the receiving waters affected by the runoff originating within the City. Each JURMP section is numbered to correlate to the comparable sections in Order R9-2007-0001. It has been developed and formatted as a user-friendly tool to guide City employees and other parties in implementing requirements for the elimination or reduction to the maximum extent practicable water discharges into the receiving waters. The JURMP is divided into 13 chapters that include components for new development planning and construction, municipal functions of the City, commercial and residential programs, detection and elimination of illicit discharges, education

efforts across all the areas, fiscal analysis, and an ongoing assessment of the effectiveness of the program.

The City is committed to improving receiving water quality and has incorporated many of the improvements in the revised JURMP that were initiated under the previous Municipal Storm Water Permit. The City is working in partnership with other Copermittees to address the water quality in both the San Diego Bay and Tijuana River watersheds. The Copermittees have worked to identify and address the highest priority water quality problems in these watersheds. The revised JURMP reflect these joint activities to the extent that they affect City specific actions. These include education, public participation, and land use planning to effectively reduce or eliminate pollution.

The City of Imperial Beach is committed to the goal to protect and improve the water quality of adjacent rivers, bay, estuary and ocean. This JURMP maps the road to achieving that goal. Emphasis has been put on education, integrated implementation of urban runoff BMPs for new development and existing development, and inspection and enforcement at all facilities and areas of the City. The revised JURMP shifts activities more toward a watershed approach than the 2002 JURMP. The revised JURMP leads to a more prioritized effort of the specific areas of concern throughout the watersheds in cooperation with the other Copermittees.

**ENVIRONMENTAL IMPACT:**

Not a project as defined by CEQA.

**FISCAL IMPACT:**

The general fund continued to be the source of the greatest share of program costs although the City has obtained some grant money for structural BMP's and the Sewer Enterprise Fund carries some of the incidental costs through the Storm Drain Maintenance Program and illegal discharge clean-up activities. Total person-hours expended to develop this JURMP is roughly 200 hours. As reported in the last annual report, the total program cost for FY 2006-07 was estimated at nearly \$1,169,318 when the effort across all City departments is considered.

**DEPARTMENT RECOMMENDATION:**

1. Open the Public Hearing
2. Receive the report
3. Receive Public Testimony
4. Close the Public Hearing
5. Direct JURMP changes as appropriate
6. Adopt Resolution 2008-6602, Jurisdictional Urban Runoff Management Program including corrections, additions or deletions as directed.
7. Order the rescission of the 2002 JURMP adopted by Resolution 2002-5563.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department recommendation.

  
\_\_\_\_\_  
Gary Brown, City Manager

Attachments:

1. Resolution No. 2008-6602 - Approval of the Updated JURMP
2. Exhibit A to Resolution No. 2008-6602 - City of Imperial Beach JURMP (provided separately)



RESOLUTION NO. 2008-6602

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, ADOPTING THE REVISED JURISDICTIONAL URBAN RUNOFF MANAGEMENT PROGRAM (JURMP) AND AUTHORIZING THE PUBLIC WORKS DIRECTOR TO SIGN AND FORWARD THE CITY'S REVISED JURMP TO THE REGIONAL WATER QUALITY CONTROL BOARD, SAN DIEGO REGION

The City Council of the City of Imperial Beach does hereby resolve as follows:

**WHEREAS**, the San Diego Regional Water Quality Control Board (SRWQCB) issued Order R9-2007-0001 establishing the requirement that "Copermittees shall prepare and submit to the SDRWQCB an updated Jurisdictional Urban Runoff Management Program (JURMP)"; and

**WHEREAS**, the updated JURMP shall contain a comprehensive description of all activities conducted by the Copermittee to meet all the requirements of each component of the JURMP; and

**WHEREAS**, the City of Imperial Beach has developed a revised (updated) JURMP that meets or exceeds the requirements of the Regional Water Quality Control Board, San Diego Region, Order R9-2007-0001.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Imperial Beach as follows:

1. The above recitals are true and correct.
2. Authorizes adoption of the City of Imperial Beach revised (updated) JURMP – Exhibit A.
3. Authorizes the Public Works Director to sign the City's JURMP for submittal to the County of San Diego for consolidation with the other Copermittees' JURMPs and final forwarding to the San Diego Regional Water Quality Control Board.
4. Orders the rescission of the 2002 JURMP adopted by Resolution 2002-5563.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Imperial Beach at its regular meeting held on the 19<sup>th</sup> of March 2008, by the following roll call vote:

<b>AYES:</b>	<b>COUNCILMEMBERS:</b>
<b>NOES:</b>	<b>COUNCILMEMBERS:</b>
<b>ABSENT:</b>	<b>COUNCILMEMBERS:</b>

**JAMES C. JANNEY, MAYOR**

**ATTEST:**

**JACQUELINE M. HALD, CMC  
CITY CLERK**

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2008-6602 – A Resolution Adopting the Revised Jurisdictional Urban Runoff Management Program (JURMP) and Authorizing The Public Works Director To Sign And Forward The City's Revised (Updated) JURMP To The Regional Water Quality Control Board, San Diego Region.

CITY CLERK

DATE



# **Item No. 6.1**

**Attachment 2  
(Exhibit A to Attachment 1)  
Available for Review in the  
City Clerk's Office**





**STAFF REPORT  
CITY OF IMPERIAL BEACH**

**TO: MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: GARY BROWN, CITY MANAGER**

**MEETING DATE: MARCH 19, 2008**

**ORIGINATING DEPT.: COMMUNITY DEVELOPMENT DEPARTMENT  
GREG WADE, DIRECTOR  
GERARD E. SELBY, REDEVELOPMENT COORDINATOR** 

**SUBJECT: TAX EQUITY AND FISCAL RESPONSIBILITY ACT PUBLIC HEARING - CONDUIT FINANCING FOR THE 12<sup>TH</sup> STREET APARTMENTS PROJECT FINANCING THE ACQUISITION AND REHABILITATION OF A 16-UNIT MULTIFAMILY HOUSING RENTAL FACILITY**

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**BACKGROUND**

On March 5, 2008, the Imperial Beach Redevelopment Agency ("Agency") authorized staff to issue a Commitment Letter to the Chelsea Investment Corporation ("Chelsea") for a proposed project to acquire and rehabilitate a 16-unit apartment building at 624 12<sup>th</sup> Street in Imperial Beach for Low-Income rental housing ("Project"). Chelsea Investment Corporation ("Chelsea") has proposed to finance the Project with a combination of Agency funds, low-income housing tax credits, deferred developer fee, and tax-exempt bonds ("Bonds").

Chelsea requested that the California Municipal Finance Authority ("CMFA") serve as the municipal issuer of the Bonds in an aggregate principal amount not to exceed \$2,500,000 of tax-exempt revenue bonds. The CMFA was created on January 1, 2004 to assist California's local governments, non-profit organizations and businesses through the issuance of taxable and tax-exempt bonds to promote economic, cultural and community development, through the financing of economic development and charitable activities throughout California. The CMFA's representatives and its Board of Directors have considerable experience in bond financings. To date, over 65 municipalities have become members of CMFA including the Cities of Los Angeles, Anaheim, Carlsbad, Rancho Cucamonga, Colton, Commerce, El Monte, El Segundo, San Jose, San Francisco and Torrance, and the Counties of San Diego, Riverside, San Bernardino, Sacramento, Fresno, Alameda and Ventura.

**DISCUSSION**

In order for all or a portion of the Bonds to qualify as tax-exempt bonds, the City of Imperial Beach must conduct a Tax Equity and Fiscal Responsibility Act hearing (the "TEFRA Hearing"), adopt a resolution, and execute the Joint Exercise of Powers Agreement ("the Agreement")

(Attachment 2). In order for the CMFA to have the authority to serve as the issuer of the bonds for the Project, it is necessary for the City of Imperial Beach to become a member of the CMFA.

The Agreement states that the CMFA is a public entity, separate and apart from each member executing such agreement. The debts, liabilities and obligations of the CMFA do not constitute debts, liabilities or obligations of the members executing such agreement. There are no costs associated with membership in the CMFA and the City will in no way become exposed to any financial liability by reason of its membership in the CMFA.

The Agreement expressly provides that any member may withdraw from such agreement upon written notice to the Board of Directors of the CMFA. In the case of the proposed bond financing for the Borrower, following execution of the Joint Exercise of Powers Agreement, the City could, at any time following the issuance of the Bonds, withdraw from the CMFA by providing written notice to the Board of Directors of the CMFA.

The participation by the City in the CMFA will not impact the City's appropriations limits and will not constitute any type of indebtedness by the City. Outside of holding the TEFRA hearing, adopting the required resolution and executing the Agreement with the CMFA, no other participation or activity of the City or the City Council with respect to the issuance of the Bonds will be required.

The Bonds to be issued by the CMFA for the Project will be the sole responsibility of Chelsea, and the City will have no financial, legal, moral obligation, liability or responsibility for the Project or the repayment of the Bonds for the financing of the Project. All financing documents with respect to the issuance of the Bonds will contain clear disclaimers that the Bonds are not obligations of the City or the State of California, but are to be paid for solely from funds provided by the Borrower.

### **ENVIRONMENTAL IMPACT**

Not a project as defined by the California Environmental Quality Act.

### **FISCAL IMPACT**

The Board of Directors of the California Foundation for Stronger Communities, a California non-profit public benefit corporation (the "Foundation"), acts as the Board of Directors for the CMFA. Through its conduit issuance activities, the CMFA shares a portion of the issuance fees it receives with its member communities and donates a portion of these issuance fees to the Foundation for the support of local charities. With respect to the City of Imperial Beach, it is expected that 25% (approximately \$1,500 depending on the amount of the bond issue) of the issuance fee will be granted by the CMFA to the Imperial Beach general fund of the City. Such grant may be used for any lawful purpose of the City.

**DEPARTMENT RECOMMENDATIONS**

Staff recommends that the City Council:

1. Conduct the public hearing under the requirements of TEFRA and the Internal Revenue Code of 1986, as amended (the "Code");
2. Adopt the resolution approving the issuance of the Bonds by the CMFA for the benefit of Chelsea Investment Corporation Imperial Beach, a California limited partnership, together with its successors or assigns or any limited partnership or limited liability company established by Chelsea Investment Corporation (the "Developer"), to provide for the financing of the Project, such adoption is solely for the purposes of satisfying the requirements of TEFRA, the Code and the California Government Code Section 6500; and
3. Authorize the City Manager or designated signatory to execute the Joint Exercise of Powers Agreement with the CMFA.

**EXECUTIVE DIRECTOR'S RECOMMENDATION:**

Approve Department recommendation.

  
\_\_\_\_\_  
Gary Brown, City Manager

**ATTACHMENTS**

1. Resolution No. 2008-6598
2. Agreement



**RESOLUTION NO. 2008-6598**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF IMPERIAL BEACH APPROVING THE ISSUANCE OF  
TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS**

WHEREAS, the California Municipal Finance Authority (the "Authority") intends to issue tax-exempt obligations (the "Obligations") at the request of Chelsea Investment Corporation-Imperial Beach, a California limited partnership, together with its successors or assigns or any limited partnership or limited liability company established by Chelsea Investment Corporation (the "Developer") for the purpose, among other things, of making a loan to the Developer, the proceeds of which shall be used by the Developer to finance the acquisition and rehabilitation of a 16-unit multifamily housing rental facility located at 624 12<sup>th</sup> Street in the City of Imperial Beach, California (the "Project"); and

WHEREAS, the City of Imperial Beach (the "City"), has determined that it is in the public interest and for the public benefit that the City become a Member of the Authority in order to facilitate the promotion of economic, cultural and community development activities in the City, including the financing of projects therefore by the Authority; and

WHEREAS, there is now before the City Council of the City (the "City Council") the form of the Joint Exercise of Powers Agreement relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement"), among certain local agencies; and

WHEREAS, the Agreement has been provided to the City, and the members of the City Council, with the assistance of its staff, have reviewed said document; and

WHEREAS, the Obligations will be considered to be "qualified exempt facility bonds" under Section 142(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and Section 147(f) of the Code requires that the "applicable elected representative" with respect to the City of Imperial Beach (the "City") hold a public hearing on and approve the issuance of the Obligations; and

WHEREAS, this City Council is the elected legislative body of the City; and

WHEREAS, a notice of public hearing in a newspaper of general circulation in the City has been published, to the effect that a public hearing would be held by this City Council on the date hereof regarding the issuance of the Obligations by the Authority and the nature and location of the Project; and

WHEREAS, this City Council held said public hearing, at which time an opportunity was provided to present arguments both for and against the issuance of such Bonds and the nature and location of the Project; and

WHEREAS, it is in the public interest and for the public benefit that the City approve the issuance and delivery of the Obligations for the purpose of financing the acquisition, construction and development of the Project; and

WHEREAS, the City shall not have any liability for the repayment of the Obligations or any responsibility for the Project;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Imperial Beach, California, as follows:

1. The City Council hereby finds and determines that the foregoing recitals are true and correct.

2. The City Council hereby approves the Agreement and hereby authorizes the City Manager or designated signatory to execute the Agreement to allow the City to become a member of the Authority.

3. The City Council hereby approves the issuance of the Bonds in an aggregate principal amount not to exceed \$2,500,000 by the Authority.

4. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

5. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct the Project or any refinancing of the Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, rehabilitation or operation of the Project; (iii) make any contribution or advance any funds whatsoever to the Authority; or (iv) take any further action with respect to the Authority or its membership therein.

6. The City Manager or designated signatory are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

7. The City Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to the Authority in care of its counsel:

Harriet M. Welch, Esq.  
Squire, Sanders & Dempsey LLP.  
555 South Flower St., Suite 3100  
Los Angeles, CA 90071-2300

8. This resolution shall take effect upon its adoption.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Imperial Beach, California, at its regular meeting held on March 19, 2008 by the following roll call vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

APPROVED:

---

James C. Janney  
Mayor

ATTEST:

---

Jacqueline M. Hald, CMC  
City Clerk

APPROVED AS TO FORM:

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James P. Lough  
City Attorney

**I, City Clerk, of the City of Imperial Beach, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2008 - 6598 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH APPROVING THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS.**

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**CITY CLERK**

---

**DATE**



**JOINT EXERCISE OF POWERS AGREEMENT  
RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY**

THIS AGREEMENT, dated as of January 1, 2004, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the "Members" and those parties initially executing this Agreement are referred to as the "Initial Members"):

**WITNESSETH**

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a "public agency" as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means, including through making grants, loans or providing other financial assistance to governmental and nonprofit organizations; and

WHEREAS, each Member is also empowered by law to acquire and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, as specified in this Agreement and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute bonds, notes, commercial paper or any other evidences of indebtedness, including leases or installment sale agreements or certificates of participation therein (herein "Bonds"), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue Bonds pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and

WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects of any nature, including, but not limited to, capital or working capital projects, insurance, liability or retirement programs or facilitating Members use of existing or new financial instruments and mechanisms; and

WHEREAS, it is further the intention of the Members that the projects undertaken will result in significant public benefits to the inhabitants of the jurisdictions of the Members; and

WHEREAS, by this Agreement, each Member desires to create and establish the “California Municipal Finance Authority” for the purposes set forth herein and to exercise the powers provided herein;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

**Section 1. Purpose.**

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or any other applicable law, including, but not limited to, the issuance of Bonds for any purpose or activity permitted under the Joint Exercise of Powers Act or any other applicable law. Such purpose will be accomplished and said power exercised in the manner hereinafter set forth.

**Section 2. Term.**

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Bonds issued or caused to be issued by the Authority (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement or other instrument pursuant to which such Bonds are issued, or unless a successor to the Authority assumes all of the Authority’s debts, liabilities and obligations.

**Section 3. Authority.**

**A. CREATION AND POWERS OF AUTHORITY.**

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the “California Municipal Finance Authority” (the “Authority”), and said Authority shall be a public entity separate and apart from the Members. Its

debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members.

**B. BOARD.**

The Authority shall be administered by the Board of Directors (the "Board," or the "Directors" and each a "Director") of the California Foundation for Stronger Communities, a nonprofit public benefit corporation organized under the laws of the State of California (the "Foundation"), with each such Director serving in his or her individual capacity as a Director of the Board. The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein. The number of Directors, the appointment of Directors, alternates and successors, their respective terms of office, and all other provisions relating to the qualification and office of the Directors shall be as provided in the Articles and Bylaws of the Foundation, or by resolution of the Board adopted in accordance with the Bylaws of the Foundation.

All references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director.

Directors may receive reasonable compensation for serving as such, and shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director, if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

The Foundation may be removed as administering agent hereunder and replaced at any time by amendment of this Agreement approved as provided in Section 16; provided that a successor administering agent of this Agreement has been appointed and accepted its duties and responsibilities under this Agreement.

**C. OFFICERS; DUTIES; OFFICIAL BONDS.**

The officers of the Authority shall be the Chair, Vice-Chair, Secretary and Treasurer (defined below). The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary of the Authority from among Directors to serve until such officer is re-elected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Authority (the "Treasurer") pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve until such officer is re-elected or a successor to such office is elected by the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Bonds (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, and except as may otherwise be

specified by resolution of the Board, the Treasurer is designated as the depository of the Authority to have custody of all money of the Authority, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond with the Secretary of the Authority in the amount specified by resolution of the Board but in no event less than \$1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Authority and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Authority.

#### D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Authority shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors constituting a quorum, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Authority may adopt, from time to time, by resolution of the Board such rules and regulations for the conduct of its meetings and affairs as may be required.

**Section 4. Powers.**

The Authority shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for any purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Authority is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, provide for maintenance and operation of, or maintain and operate, any buildings, works or improvements; to acquire, hold or dispose of property wherever located; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to make grants, loans or provide other financial assistance to governmental and nonprofit organizations (e.g., the Members or the Foundation) to accomplish any of its purposes; and generally to do any and all things necessary or convenient to accomplish its purposes.

Without limiting the generality of the foregoing, the Authority may issue or cause to be issued Bonds, and pledge any property or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law; provided, however, the Authority shall not issue Bonds with respect to any project located in the jurisdiction of one or more Members unless the governing body of any such Member, or its duly authorized representative, shall approve, conditionally or unconditionally, the project, including the issuance of Bonds therefor. Such approval may be evidenced by resolution, certificate, order, report or such other means of written approval of such project as may be selected by the Member (or its authorized representative) whose approval is required. No such approval shall be required in

connection with Bonds that refund Bonds previously issued by the Authority and approved by the governing board of a Member.

The manner in which the Authority shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California general law city could exercise such powers and perform such duties. The manner in which the Authority shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

**Section 5. Fiscal Year.**

For the purposes of this Agreement, the term "Fiscal Year" shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2004.

**Section 6. Disposition of Assets.**

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Authority, all property of the Authority both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

**Section 7. Bonds.**

From time to time the Authority shall issue Bonds, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its purposes under this Agreement.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing shall be used by the Authority. The expenses of the Board shall be paid from the proceeds of the Bonds or any other unencumbered funds of the Authority available for such purpose.

**Section 8. Bonds Only Limited and Special Obligations of Authority.**

The Bonds, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Authority. The Bonds shall be only special obligations of the Authority, and the Authority shall under no circumstances be obligated to pay the Bonds except from revenues and other funds pledged therefor. Neither the Members nor the Authority shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Authority shall be pledged to the payment of the

principal of, premium, if any, or interest on the Bonds nor shall the Members or the Authority in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Bond or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Authority in his or her individual capacity and neither the Board of the Authority nor any Director or officer thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

**Section 9. Accounts and Reports.**

All funds of the Authority shall be strictly accounted for. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Authority may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Authority. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Members which report shall describe the amount of money held by the Treasurer for the Authority, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

**Section 10. Funds.**

Subject to the applicable provisions of any Indenture, which may provide for a trustee or other fiduciary to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to the accounting procedures developed under Sections 3.C and 9, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions of purposes of this Agreement.

**Section 11. Notices.**

Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk of the governing body of each Member; provided, however, that to the extent permitted by law, the Authority may, provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

**Section 12. Additional Members/Withdrawal of Members.**

Qualifying public agencies may be added as parties to this Agreement and become Members upon: (1) the filing by such public agency with the Authority of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that no such withdrawal shall result in the dissolution of the Authority so long as any Bonds remain outstanding. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

**Section 13. Indemnification.**

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Director or an officer, employee of other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Director or an officer, employee or other agent of the Authority, against expenses, including attorneys fees, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

**Section 14. Contributions and Advances.**

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Authority by the Members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Authority and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though any Member may do so. The Members understand and agree that a portion of the funds of the Authority that otherwise may be allocated or distributed to the Members may instead be used to make grants, loans or provide other financial assistance to governmental units and nonprofit organizations (e.g., the Foundation) to accomplish any of the governmental unit's or nonprofit organization's purposes.

**Section 15. Immunities.**

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Authority while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

**Section 16. Amendments.**

Except as provided in Section 12 above, this Agreement shall not be amended, modified, or altered, unless the negative consent of each of the Members is obtained. To obtain the negative consent of each of the Members, the following negative consent procedure shall be followed: (a) the Authority shall provide each Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Authority shall provide each Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

**Section 17. Effectiveness.**

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Initial Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Initial Member approving this Agreement and the execution and delivery hereof.

**Section 18. Partial Invalidity.**

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

**Section 19. Successors.**

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

**Section 20. Miscellaneous.**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the Members, which supercedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the City of Imperial Beach has caused this Agreement to be executed and attested by its duly authorized representatives as of the \_\_\_ day of \_\_\_\_\_, 2008.

Member:

CITY OF IMPERIAL BEACH

By \_\_\_\_\_  
Name:  
Title:

ATTEST:

\_\_\_\_\_  
Clerk





**STAFF REPORT  
CITY OF IMPERIAL BEACH**

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** GARY BROWN, CITY MANAGER

**MEETING DATE:** MARCH 19, 2008

**ORIGINATING DEPT.:** PUBLIC WORKS *HB*

**SUBJECT:** PUBLIC HEARING: APPROVAL OF TRANSNET EXTENSION ORDINANCE AND EXPENDITURE PLAN, REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) PROJECT PLAN – REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM PROJECT ON STATE ROUTE 75

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**BACKGROUND:**

The TransNet Extension Ordinance and Expenditure Plan approved by the voters of San Diego County in 2004 included – Section 9 – stating:

“Starting on July 1, 2008, each local agency in the San Diego region shall contribute \$2,000 in exactions from the private sector, for each newly constructed residential housing unit in that jurisdiction to the RTCIP [Regional Transportation Congestion Improvement Program]. These exactions shall ensure the future development contributes its proportional share of the funding needed to pay for the Regional Arterial System and related regional transportation facility improvements, as defined in San Diego Association of Governments’ (SANDAG’s) most recent, adopted Regional Transportation Plan. New residential housing units constructed for extremely low, very-low, low, and moderate income households, as defined in California Health and Safety Code Sections 50105, 50106, 50079.5 and 50093, will be exempted from the \$2,000 per unit contribution requirement. The amount of contribution shall be increased annually, in an amount not to exceed the percentage increase set forth in the Engineering Construction Cost Index published by the Engineering News Record or similar cost of construction index. Each local agency shall establish an impact fee or other-revenue Funding Program by which it collects and funds its contribution to the RTCIP. Each local agency shall be responsible for establishing a procedure for providing its monetary contribution to the RTCIP. The RTCIP revenue will be used to construct improvements on the Regional Arterial System such as new or widened arterials, traffic signal coordination and other traffic improvements, freeway interchange and related freeway improvements, railroad grade separations, and improvements required for regional express bus and rail transit. This action is predicated on the desire to establish a uniform mitigation program that will mitigate the regional transportation impacts of new development on the Arterial System. While the RTCIP cannot and should not fund all necessary regional transportation network components and improvements, the RTCIP

will establish a new revenue source that ensures future development will contribute its pro rata share towards addressing the impacts of new growth on regional transportation infrastructure.”

In the City of Imperial Beach the only Regional Arterial is State Route 75 (SR 75). The City may choose to contribute to any regional arterial within the County of San Diego, however, SR 75 is the most local and arguably the most logical arterial to allocate the collected funds.

In section 11 of the TransNet Extension Ordinance and Expenditure Plan an Independent Taxpayer Oversight Committee is to be established with the following charge:

“An Independent Taxpayer Oversight Committee (ITOC) shall be established to provide an enhanced level of accountability for expenditure made under the Expenditure Plan. The ITOC will help ensure that all voter mandates are carried out as required and will develop recommendations for improvements to the financial integrity and performance of the program...”

Before April 1, 2008, the cities and County of San Diego must have submitted their RTCIP project plan to the ITOC for review “... to ensure that all voter mandates are carried out as required....”

The TransNet Extension Ordinance requires the project plan to be approved through a noticed public hearing process. A 10-day public hearing notice was published in the March 6, 2008, Eagle & Times Newspaper.

#### **DISCUSSION:**

Staff has prepared a project plan that would allocate the collected funds towards a project on SR 75 between 7<sup>th</sup> Street and 9<sup>th</sup> Street including the intersections at 7<sup>th</sup> Street and 9<sup>th</sup> Street. Attachment 2 is the prepared plan for Council’s consideration. Attachment 3 is the completed SANDAG ProjectTrak form required to be part of the Council agenda and public hearing documents. The plan proposes to design and construct vehicle, bicycle and public transit circulation and pedestrian access improvements in that segment of SR 75.

The projected funds collected amount to approximately \$20,000 per year. This is based on an average of 10 new residential housing units constructed per year and a fee collection of \$2,000 per residential housing unit.

Staff has forwarded a copy of attachment 2 to CALTRANS for comment and concurrence. CALTRANS has advised that they concur with project plan as described in attachment 2. Once both City Council and CALTRANS agree on a project and project scope of work, the plan is to be submitted to ITOC in compliance with Section 11 as written above. The Project Plan must be submitted to ITOC prior to April 1, 2008 along with a copy of Ordinance 2008-1067 “Imperial Beach Regional Transportation Congestion Improvement Plan Fee Program (RTCIP)” and the resolution establishing the RTCIP fee.

#### **ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

**FISCAL IMPACT:**

This project plan provides for the allocation of the funds collected from the \$2,000 assessment for each newly constructed residential housing unit in the City of Imperial Beach towards an improvement project in CALTRANS right-of-way in the segment of SR 75 between 7<sup>th</sup> Street and 9<sup>th</sup> Street including the intersections of 7<sup>th</sup> Street and 9<sup>th</sup> Street. The estimated annual assessment collected is \$20,000.

**DEPARTMENT RECOMMENDATION:**

1. Open the Public Hearing.
2. Receive public comment / protests.
3. If Council wishes to proceed, close the public hearing.
4. Approve and adopt the attached resolution.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department recommendation.

  
\_\_\_\_\_  
Gary Brown, City Manager

Attachments:

1. Resolution No. 2008-6601
2. Exhibit A to Resolution No. 2008-6601; City of Imperial Beach, Regional Transportation Congestion Improvement Program Project Plan
3. Exhibit B to Resolution No. 2008-6601; Copy of the SANDAG ProjectTrak program sheet filed with SANDAG Regional Transportation Improvement Program system.



## RESOLUTION NO. 2008-6601

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, APPROVAL OF TRANSNET EXTENSION ORDINANCE AND EXPENDITURE PLAN, REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP) PROJECT PLAN – REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM PROJECT ON STATE ROUTE 75**

**WHEREAS**, the TransNet Extension Ordinance and Expenditure Plan was approved by the voters of San Diego County in 2004; and

**WHEREAS**, starting on July 1, 2008, each local agency in the San Diego region is required to contribute \$2,000 in exactions from the private sector, for each newly constructed residential housing unit in that jurisdiction to the RTCIP [Regional Transportation Congestion Improvement Program]; and

**WHEREAS**, these exactions shall ensure the future development contributes it proportional share of the funding needed to pay for the Regional Arterial System and related regional transportation facility improvements, as defined in San Diego Association of Governments' (SANDAG's) most recent, adopted Regional Transportation Plan; and

**WHEREAS**, in the City of Imperial Beach the only Regional Arterial is State Route 75 (SR 75); and

**WHEREAS**, the City may choose to contribute to any regional arterial within the County of San Diego, however SR 75 is the most local and arguably the most logical arterial to allocate the collected funds; and

**WHEREAS**, before April 1, 2008, the cities and County of San Diego must have submitted their RTCIP project plan to the ITOC for review "... to ensure that all voter mandates are carried out as required..."; and

**WHEREAS**, a project plan has been prepared that would allocate the collected funds towards a project on SR 75 between 7<sup>th</sup> Street and 9<sup>th</sup> Street including the intersections at 7<sup>th</sup> Street and 9<sup>th</sup> Street; and

**WHEREAS**, the plan proposes to design and construct vehicle, bicycle and public transit circulation and pedestrian access improvements in that segment of SR 75; and

**WHEREAS**, the project plan is provided as Exhibits A and B to this resolution.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Imperial Beach as follows:

1. The above recitals are true and correct.
2. The Project Plan as found in Exhibits A and B is approved and is incorporated as a City of Imperial Beach Capital Improvement Program (CIP) project and that it is included in the current "Amendments Approved February 6, 2008 Five Year Capital Improvement Program Budget Fiscal Year 2004/2005 through Fiscal Year 2008/2009."

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Imperial Beach at its meeting held on the 19<sup>th</sup> day of March 2008, by the following roll call vote:

**AYES: COUNCILMEMBERS:**  
**NOES: COUNCILMEMBERS:**  
**ABSENT: COUNCILMEMBERS:**

\_\_\_\_\_  
**JAMES C. JANNEY, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**JACQUELINE M. HALD, CMC**  
**CITY CLERK**

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be a true and correct copy of Resolution No. 2008-6001– A Resolution of the City Council of the City of Imperial Beach, California, Approval of Transnet Extension Ordinance and Expenditure Plan, Regional Transportation Congestion Improvement Program (RTCIP) Project Plan – Regional Transportation Congestion Improvement Program Project On State Route 75

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
DATE

CITY OF IMPERIAL BEACH

REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP)  
PROJECT PLAN

PROJECT DESCRIPTION – Design and construct vehicle, bicycle and public transit circulation and pedestrian access improvements along and across State Route 75 between 7<sup>th</sup> Street and 9<sup>th</sup> Street, including 7<sup>th</sup> Street and 9<sup>th</sup> Street intersections.

PROJECT FUNDING –

- Development Impact Fee - \$2,000 assessment for each newly constructed residential housing unit in the City of Imperial Beach. New residential housing units constructed for extremely low, very-low, low, and moderate income households, as defined in California Health and Safety Code Sections 50105, 50106, 50079.5 and 50093 will be exempt from the \$2,000 per unit assessment. Estimated annual revenue from the Development Impact Fee is \$20,000 - (based on an average of 10 new units per year).
- State or Federal matching funds – dependent upon SANDAG allocation
- Imperial Beach Redevelopment Agency funds – dependent upon Redevelopment Agency priorities

PROJECT ESTIMATED COST - \$1,000,000 (in 2008 dollars)

ESTIMATED CONSTRUCTION START DATE – 2018 to 2023; could start sooner if other funds such as redevelopment funding is allocated earlier and the impact fee is used to reimburse the funding source.









**STAFF REPORT  
CITY OF IMPERIAL BEACH**

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** GARY BROWN, CITY MANAGER

**MEETING DATE:** MARCH 19, 2008

**ORIGINATING DEPT.:** PUBLIC WORKS

**SUBJECT:** PUBLIC HEARING ON RESOLUTION ESTABLISHING THE  
IMPERIAL BEACH REGIONAL TRANSPORTATION  
CONGESTION IMPROVEMENT PLAN (RTCIP) FEE OF \$2000  
PER RESIDENCE

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**BACKGROUND:**

On, March 5, 2008, the City Council introduced Ordinance No. 2008-1067 adopting a Transportation Uniform Mitigation Fee Program to defray costs of constructing planned regional transportation facilities. This Ordinance will establish the long-term program for funding certain regional highways and arterials infrastructure needs in Imperial Beach and the region. This fee program was developed, in conjunction with the other member agencies of SANDAG, to partially offset the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in San Diego County (the regional system).

**DISCUSSION:**

The City is required to adopt a Traffic Congestion Management Fee to be effective on July 1, 2008. Under the state Fee Mitigation Act, the Council can adopt this initial fee by Resolution. The attached Nexus Study (Attachment 2) and Fee Resolution (Attachment 1) establishes this Fee as of July 1, 2008.

The Nexus Study shows that future development within San Diego County and the cities therein will result in traffic volumes exceeding the capacity of the regional system, as it presently exists. The City Council has been further informed and advised, and, based on the Nexus Study, can find, that if the capacity of the regional system is not enlarged, the result will be substantial traffic congestion in all parts of San Diego County and the city, with unacceptable levels of service throughout San Diego County by 2030.

Absent implementation of a Regional Transportation Congestion Improvement Plan ("RTCIP") fee based on the Nexus Study, existing and known future funding sources will be inadequate to provide necessary improvements to the regional system, resulting in an unacceptably high level of traffic congestion within and around San Diego County and the city.

Failure to mitigate growing traffic impacts due to new development on the regional system within San Diego County and the city will substantially impair the ability of public safety services (police and fire) to respond. The failure to mitigate impacts on the regional system will

adversely affect the public health, safety and welfare. The RTCIP will ensure that new development helps mitigate these impacts by directly investing in the regional transportation system.

Approval of the attached Resolution will establish a Transportation Uniform Mitigation Fee of \$2,000 per new residential dwelling unit. The Fee is to be collected at the time of approval of each new residential dwelling unit building permit on or after July 1, 2008. However, the Transportation Uniform Mitigation Fee is exempt for all "low income residential housing" building permits approved on or after July 1, 2008.

In the future, the Ordinance, scheduled for adoption March 19, 2008, will govern the long-term implementation of the RTCIP Fee Program. This Ordinance allows for more flexibility, in the long term, to allow broader categories of funding than are currently planned in Imperial Beach.

**ENVIRONMENTAL DETERMINATION:**

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

**FISCAL IMPACT:**

Adoption of the fee program will allow the city to recover costs that would otherwise be absorbed by the General Fund or divert other funds that could be used for other eligible projects. The City is required to place the \$2,000.00 Transportation Uniform Mitigation Fee per residential dwelling unit building permit issued into a separate interest bearing RTCIP account.

**DEPARTMENT RECOMMENDATION:**

Staff Recommends the Mayor and City Council:

1. Receive this report;
2. Open the Public Hearing;
3. Take public Testimony;
4. Close the Public Hearing; and
5. Adopt Resolution No. 2008-6605 A Resolution of the City Council of the City of Imperial Beach, California, Establishing a \$2,000 Regional Transportation Congestion Improvement Plan Fee for Each New Residential Dwelling Unit.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department recommendation.



Gary Brown, City Manager

Attachment:

1. Resolution 2008-6605
2. RTCIP Impact Fee Nexus Study (see *Item 4.2 – Attachment 2*)

**RESOLUTION NO. 2008-6605****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA,  
ESTABLISHING A REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PLAN  
(RTCIP) FEE**

**WHEREAS**, California Government Code section 66000 establishes a procedure under which cities must adopt development impact fees or increase those fees as a condition of approval of a development project; and

**WHEREAS**, the City is a member agency of the San Diego Association of Governments ("SANDAG"), a joint powers agency consisting of the City, the county of San Diego, and the seventeen other cities situated in San Diego County. Acting in concert, the member agencies of SANDAG developed a plan whereby the shortfall in funds needed to enlarge the capacity of the regional system of highways and arterials in San Diego County (the "regional arterial system") could be made up in part by a transportation uniform mitigation fee on future residential development. As a member agency of SANDAG, the City participated in the preparation of a certain "RTCIP Impact Fee Nexus Study," dated September 5, 2006 (the "Nexus Study") prepared pursuant to California Government Code Section 66000 et seq., the Mitigation Fee Act; and

**WHEREAS**, the City Council has been informed and advised, and finds, that future development within San Diego County and the cities therein will result in traffic volumes exceeding the capacity of the regional system as it presently exists; and

**WHEREAS**, the City Council has been further informed and advised, and finds, that if the capacity of the regional arterial system is not enlarged, the result will be substantial traffic congestion in all parts of San Diego County and the City, with unacceptable levels of service throughout San Diego County by 2030; and

**WHEREAS**, the City Council has been further advised, and so finds that funding, in addition to those fees adopted pursuant to the Nexus Study, will be inadequate to fund construction of the regional arterial system. Absent implementation of a regional transportation congestion improvement plan ("RTCIP") fee based on the Nexus Study, existing and known future funding sources will be inadequate to provide necessary improvements to the regional system, resulting in an unacceptably high level of traffic congestion within and around San Diego County and the City; and

**WHEREAS**, the City Council finds and determines that there is a reasonable and rational relationship between the need for the improvements to the regional arterial system and the type of development projects on which the RTCIP fee is imposed because it will be necessary for the residential users of such projects to have access to the regional arterial system. Such development will benefit from the regional arterial system improvements and the burden of such development will be mitigated in part by the payment of the RTCIP fee; and

**WHEREAS**, the City of Imperial Beach has adopted Ordinance No. 2008-1067 establishing the requirements and procedures for the imposition of development impact fees to share in the costs of the design and construction of local and regional transportation facilities, to insure that the fees permitted by the police power and California Government Code sections 66483 and 66484; and

**WHEREAS**, Ordinance No. 2008-1067 shall provide a method for establishing development impact fees in the future and does not conflict with the adoption of an RTCIP fee hereunder which shall remain in full force and effect until amended or repealed by subsequent Resolution; and

**WHEREAS**, the costs estimates set forth in the Nexus Study are reasonable cost estimates for constructing the regional arterial system improvements, and that the amount of the RTCIP fee expected to be generated by new development will not exceed the total fair share cost to such development; and

**WHEREAS**, the City is required to place \$2000.00 per residence in the RTCIP funds regardless of whether it charges the fee and this Resolution hereby establishes a fee of \$2000.00 per residence, as specified herein; and

**WHEREAS**, adoption of the fee program will allow the city to recover costs that would otherwise be absorbed by the General Fund or divert other funds that could be used for other eligible projects; and

**WHEREAS**, the City Council held a duly noticed public hearing on March 19, 2008 in order to receive additional oral comments on the RTCIP fee; and

**WHEREAS**, the City Council determined that, based on the written and oral materials submitted at the public hearing, the City Council finds that the recommended fee of \$2000.00 per residence for new construction, as defined herein, is necessary and appropriate to fund infrastructure needs in the City of Imperial Beach.

**NOW, THEREFORE**, be it resolved, determined, and ordered by the City Council of the City of Imperial Beach

Section 1. The above recitals are true and correct.

Section 2. For the purposes of this Resolution, the following words, terms and phrases shall have the following meanings:

"City" means City of Imperial Beach

"Commission" means the San Diego County Regional Transportation Commission, formed pursuant to the San Diego County Regional Transportation Commission Act (Cal. Pub. Util. Code section 132000, et seq.), which is governed by the board of directors of SANDAG.

"Development project" or "project" means any project undertaken for the purpose of residential development, or development that includes, as a component, residential development, such as "mixed use" development, including the issuance of a permit for construction.

"Low income residential housing" means new moderate, low, very low, and extremely low income residential units as defined in Health and Safety Code sections 50079.5, 50093, 50105, 50106, and by reference in Government Code section 65585.1.

"Nexus Study" means the RTCIP Impact Fee Nexus Study pursuant to California Government Code section 66000 *et seq.*, which Nexus Study is on file in the City Clerk's office and attached Staff Report introduced into the written hearing record.

"Residential dwelling unit" means one or more habitable rooms in a building or portion thereof which are occupied or which are intended or designed to be occupied by one family and containing but one kitchen with facilities for living, sleeping, sanitation, cooking and eating. "Residential dwelling unit" shall include short-term rentals, hotels or motels if the units contain kitchens.

"RTCIP administrative plan" means the TransNet Extension Ordinance and Extension Plan adopted by the San Diego County Regional Transportation Commission Ordinance No. 04-01 on May 28, 2004, containing the detailed administrative procedures concerning the implementation of this chapter the RTCIP program, as may be amended from time to time, a copy of which is on file in the City Clerk's office.

"SANDAG" means the San Diego Association of Governments, a joint powers agency consisting of the City, the county of San Diego, and the seventeen other cities situated in San Diego County.

Section 3. The City Council hereby approves the RTCIP Fees as follows:

A. Adoption. The RTCIP Fee, as defined herein, shall be Two Thousand Dollars (\$2,000.00) per newly constructed residence. This Fee shall be applicable to all residential development, as defined herein, as of July 1, 2008.

B. Fee Calculation. The fees are calculated according to the calculation methodology set forth in Table 11 of the Nexus Study. The Nexus Study is applicable to specific residential construction impacts in Imperial Beach, including but not limited to those referenced in Table A1 of the Study within the boundaries of the City of Imperial Beach. Nothing herein prevents the City from collecting fees pursuant to any other fee program for other impacts from residential or non-residential development not specifically addressed in the Nexus Study for other infrastructure within the City.

C. Fee Adjustment. The fee schedule may be periodically reviewed and the amounts adjusted by the San Diego County Regional Transportation Commission. The fees may be increased or decreased to reflect changes in actual and estimated costs of the regional system including, but not limited to, debt service, lease payments and construction costs. The adjustment of the fees may also reflect changes in the facilities required to be constructed, in estimated revenues received pursuant to this chapter, as well as the availability or lack thereof of other funds with which to construct the regional arterial system. SANDAG shall review the RTCIP fee program no less than every ten years after July 1, 2009. The City Council may adjust this fee in the future based on documented studies by SANDAG or the City justifying the SANDAG increase. Upon the effective date of Ordinance No. 2008-1067, Chapter 15.48 of the Imperial Beach Municipal Code, as amended, shall govern the method of Fee Adjustment by the City of Imperial Beach.

D. Purpose. The purpose of the RTCIP fee is to fund those certain improvements to the regional arterial system identified in the Nexus Study, including those identified in Imperial Beach.

E. Applicability. The RTCIP shall apply to all new development projects within the City, which include the development of one or more residential dwelling units, unless otherwise exempted by the provision of this chapter.

F. Exemptions. The following new development shall be exempt from the Imperial Beach Regional Transportation Congestion Improvement Program (RTCIP) Fee:

1. Low income residential housing;
2. Government/public buildings, public schools and public facilities;
3. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing residential dwelling unit;
4. All new, rehabilitated, and/or reconstructed non-residential structures.
5. Development projects which are the subject of a public facilities development agreement entered into pursuant to Government Code Section 65864 et seq., prior to the effective date of this chapter, wherein the imposition of new fees are expressly prohibited; provided however that, if the term of such a development agreement is extended by amendment or by any other manner after July 1, 2008, the RTCIP fee shall be imposed;
6. Guest dwellings;
7. Kennels and catteries established in connection with an existing residential unit and as defined in Title 19 of the Imperial Beach Municipal Code;
8. The sanctuary building of a church, mosque, synagogue, or other house of worship, eligible for a property tax exemption;
9. Residential units that have been issued a building permit prior to July 1, 2008; and
10. Condominium conversions.

G. Credit. Regional system improvements may be credited toward the RTCIP fee in accordance with the RTCIP administrative plan and the following:

1. Regional Tier.
  - a. Arterial Credits. If a developer funds or constructs arterial improvements identified on SANDAG's Regional Arterial System and/or that arise out of SANDAG's Congestion Management Program, the developer shall receive credit for all costs associated with the arterial improvements, offsetting the revenue requirements of the RTCIP administrative plan.
  - b. Other Credits. In special circumstances, when a developer constructs off-site improvements such as an interchange, bridge, or railroad grade separation, credits shall be determined by the City in consultation with the developer.

c. The amount of the development fee credit shall not exceed the revenue requirements of the City's most current funding program (determined by the most current unit cost assumptions) for its share of the regional system or actual costs, whichever is less.

2. Local Tier.

a. The City shall compare facilities in local fee programs against the regional system and eliminate any overlap in its local fee program except where there is a recognized financing district established.

b. If there is a recognized financing district established, the City may credit that portion of the facility identified in both programs against the RTCIP fee in accordance with the RTCIP administrative plan.

Section 4. Should a developer construct regional arterial system improvements in excess of the RTCIP fee obligation, the developer may be reimbursed based on actual costs or the approved unit cost assumptions, whichever is less. Reimbursements shall be enacted through a three party agreement including the developer, SANDAG and the City, contingent on funds being available. In all cases, however, reimbursements under such special agreements must coincide with construction of the transportation improvements as scheduled in the five-year capital improvements program adopted annually by SANDAG.

Section 5. Procedures for the levy, collection, and disposition of fees.

A. Authority of City Manager. The City Manager or his/her designee is authorized to levy and collect the RTCIP fee and make all determinations required by this resolution.

B. Payment. Payment of the fees shall be as follows:

1. The fees shall be paid at the time a building permit is issued and the fee payment shall be calculated based on the fee in effect at that time. The fees shall be calculated according to the fee schedule set forth in the resolution and the calculation methodology set forth in Table 11 of the Nexus Study, in effect on the payment date.

2. The fees required to be paid shall be the fee amounts in effect at the time payment is due under this chapter, not the date the this resolution is initially adopted. The City shall not enter into a development agreement, which freezes future adjustments of the RTCIP.

3. If all or part of any development project is sold prior to payment of the fee, the property shall continue to be subject to the requirement for payment of the fee. Accordingly, the fees shall run with the land.

4. Fees shall not be waived.

C. Disposition of Fees. All fees collected hereunder shall be transmitted to a fund established and designated by the City for deposit, investment, accounting and expenditure in accordance with the provisions of this chapter and the Mitigation Fee Act, including any City implementing policies or regulations.

D. Appeals. Appeals shall be filed with the City Council in accordance with the provisions of RTCIP Administrative Plan and administrative rules adopted by Resolution of the City Council. Issues subject to appeal shall be the application of the fee, application of credits, application of reimbursement, application of the legal action stay and application of exemption.

E. Reports to SANDAG. The Finance Director or his/her designee, shall prepare and deliver to the executive director of SANDAG and to the Independent Taxpayer Oversight Committee (ITOC), periodic reports as will be required under section 15.48.070 of this chapter, upon the effective date of Ordinance No. 2008-1067.

Section 6. RTCIP fee administrator.

A. The City Manager is appointed as the administrator of the transportation uniform mitigation fee program. He or she, or designee, is authorized to receive all fees generated from the RTCIP fee within the City, and to invest, account for and expend such fees in accordance with the provisions of this resolution and the Mitigation Fee Act. The detailed administrative procedures concerning the implementation of this chapter shall be contained in the RTCIP administrative plan. Furthermore, the RTCIP administrator shall use the Nexus Study for the purpose of calculating a developer's RTCIP fee obligation. In addition to detailing the methodology for calculating all RTCIP fee obligations of different categories of new development, the purpose of the Nexus Study is to clarify for the RTCIP administrator, where necessary, the definition and calculation methodology for uses not clearly defined in this resolution.

B. The City shall expend only that amount of the funds generated from the RTCIP fee for staff support, audit, administrative expenses, and contract services that are necessary and reasonable to carry out its responsibilities and in no case shall the funds expended for salaries and benefits exceed two percent of the annual net amount of revenue raised by the RTCIP fee. The RTCIP administrative plan further outlines the fiscal responsibilities and limitations of the administrator.

C. Upon the effective date of Ordinance No. 2008-1067, the policies and procedures for collection and administration of the RTCIP Fee established hereunder shall be governed by Chapter 15.48 of the Imperial Beach Municipal Code.

Section 7. The City Council hereby approves the Nexus Study in Attachment "A" in that it reflects the estimated reasonable costs of providing development-processing services to be funded pursuant to this Resolution. The City Council hereby authorizes the City Manager, and his designees, to take all steps necessary to implement this RTCIP Fee by July 1, 2008.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Imperial Beach at its meeting held on the 19th day of March 2008, by the following roll call vote:

**AYES: COUNCILMEMBERS:**  
**NOES: COUNCILMEMBERS:**  
**ABSENT: COUNCILMEMBERS:**

\_\_\_\_\_  
**JAMES C. JANNEY, MAYOR**

**ATTEST:**

\_\_\_\_\_  
JACQUELINE M. HALD, CMC  
CITY CLERK

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be a true and correct copy of Resolution No. 2008-6605— A Resolution of the City Council of the City of Imperial Beach, California, Establishing a Regional Transportation Congestion Improvement Plan (RTCIP) Fee

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
DATE





**STAFF REPORT  
CITY OF IMPERIAL BEACH**

**TO:** HONORABLE MAYOR AND CITY COUNCIL  
**FROM:** GARY BROWN, CITY MANAGER  
**MEETING DATE:** MARCH 19, 2008  
**ORIGINATING DEPT.:** PUBLIC WORKS *HAL*  
**SUBJECT:** PUBLIC HEARING; ADOPTION OF TRANSNET EXTENSION LOCAL STREET AND ROAD PROGRAM OF PROJECTS FOR FISCAL YEARS 2009-2013

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**BACKGROUND:**

At the April 5, 2006, City Council Meeting, Council adopted Resolution No. 2006-6299 approving the Regional Transportation Improvement Program (RTIP), Five-Year TransNet Local Streets and Road Program Projects, for fiscal years 2007-2011. The Program required TransNet recipients submit formal revisions or updates to the Five-Year plan every two years. The deadline for local agency project submittals for the 2009 – 2013 RTIP is April 15, 2008.

Starting with Fiscal Year 2009, the TransNet Extension Ordinance becomes effective. The TransNet Extension Ordinance limits the maintenance expenditures on Local Streets and Roadway Program to a maximum of 30% of the total Local Streets and Roadway Program allocation. The remaining 70% of the allocated funds are to be expended on capital program expenditures. Historically the City has allocated 60% to 66% of the Local Streets and Roadway project funds on maintenance costs for the Street Division Operations and Maintenance (O&M) budget. With the 2004 TransNet Extension, that figure can be no more than 30%. When the 2007-2011 Local Streets and Roadway Projects plan was submitted in the spring of 2006, the City showed the allocation of TransNet funds for Street Division O&M at 30% of the total TransNet allocation. The adopted two year operating budget (Fiscal Year 2007/2008 through Fiscal Year 2008/2009) funded the Street Division O&M budget using TransNet funding at the 30% level.

In the ensuing two years since the Fiscal Years 2007-2011 TransNet project allocation was adopted by City Council, SANDAG has revised their projected revenue from the TransNet Extension downward. The annual revenue now projected from TransNet is now more than \$100,000 less than the model estimate of two years ago, from \$750,000 to \$632,000. The impact of this estimate reduction is that the Street Division O&M contribution from TransNet will be \$35,400 less than in the adopted fiscal year 2008-2009 budget (i.e. \$225,000 to \$189,600).

The TRANSNET Extension Ordinance requires the Local Streets and Roadway Program projects to be approved through a noticed public hearing process. A 10-day public hearing notice was published in the March 6, 2008, Eagle and Times newspaper.

**DISCUSSION:**

The below table provides the current RTIP program allocation for the City of Imperial Beach for the five-year period. Additionally, the table provides staff's recommended projects using the funds available from TransNet.

<b>Project Type</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>5-Year Total</b>
Allocation	\$632,000	\$658,000	\$690,000	\$723,000	\$755,000	\$3,458,000
Street Maintenance \$ Operation	\$189,600	\$197,400	\$207,000	\$216,900	\$226,500	\$1,037,400
Street CIP – Dahlia Street Overlay / 5 <sup>th</sup> Street Overlay	\$442,400					\$442,400
Street CIP – Grove Street Overlay, sidewalk, curb and gutter repairs		\$460,600				\$460,600
Street CIP – Delaware Avenue overlay, curb and gutter repairs			\$483,000			\$483,000
Street CIP – Elm Avenue (including storm drain installation from Florence to Florida) & Calla Avenue (btwn 532 Calla & Rainbow Drive				\$506,100		\$506,100
Street CIP – 9 <sup>th</sup> Street Overlay					\$528,500	\$528,500

The project, Street Maintenance & Operation, allocation is or will be used to fund a portion of the Street Division Operating and Maintenance (O&M) budget. This is the budget that is limited to the 30% portion of the total TransNet allocation. The remaining 70% of the TransNet

allocation is programmed towards Congestion Relief projects. The projects proposed for the first four fiscal years is for projects scheduled with Street Improvements Phase II RDA CIP (S04-107) projects that were not constructed because of funding shortfall within the Street Improvement Phase II project budget.

**ENVIRONMENTAL DETERMINATION:**

Approval of this budget plan is not a project as defined by CEQA. However, once a project has been designed using these funds, an environmental determination may be required.

**FISCAL IMPACT:**

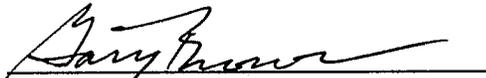
The fiscal impact is an allocation of TransNet funds of approximately \$3,458,000 for fiscal years 2009 through 2013. The allocation represents a reduction in the funds available from TransNet for Street Division O&M. The reduction in funds from TransNet for Street Division O&M is anticipated to be made up by increasing the allocated State Gas Tax funds toward Street Division O&M and away from capital projects.

**DEPARTMENT RECOMMENDATION:**

1. Receive this report.
2. Open the Public Hearing.
3. Receive public comment.
4. Close the Public Hearing.
5. Discuss the CIP projects proposed for the 5-year CIP project – modify or accept the projects proposed.
6. Adopt the attached resolution (with modification if desired).
7. Authorize the Public Works Director to submit Resolution 2008-6603 and attached ProjectTrak form to SANDAG.
8. Authorize the RTIP projects to be added to and included in the City of Imperial Beach adopted 5-year CIP.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department recommendation.

  
Gary Brown, City Manager

Attachments:

1. Resolution No. 2008-6603
2. ProjectTrak Forms for projects listed in the table above.



## RESOLUTION NO. 2008-6603

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA,  
ADOPTING THE *TRANSNET* LOCAL STREET IMPROVEMENT PROGRAM OF PROJECTS  
FOR FISCAL YEARS 2009 THROUGH 2013**

The City Council of the City of Imperial Beach does hereby resolve as follows:

**WHEREAS**, on November 3, 1987, the voters of San Diego County approved the original San Diego Transportation Improvement Program Ordinance and Expenditure Plan (Ordinance); and

**WHEREAS**, on November 4 2004, the voters of San Diego County approved the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (Extension Ordinance); and

**WHEREAS**, the Ordinance and the Extension Ordinance (collectively referred to as the Ordinances) provide that SANDAG, acting as the Regional Transportation Commission, shall approve a multi-year program of projects submitted by local jurisdictions identifying those transportation project eligible to use transportation sales tax (*TransNet*) funds; and

**WHEREAS**, the City of Imperial Beach was provided with an estimate of annual *TransNet* local street improvement revenues for fiscal years 2009 through 2013; and

**WHEREAS**, the City of Imperial Beach has held a public hearing in accordance with Section 5(A) of the Ordinances; **NOW THEREFORE**

**BE IT RESOLVED** that pursuant to Section 2(C)(1) of the Extension Ordinance, the City of Imperial Beach certifies that no more than 30 percent of its annual revenues shall be spent on maintenance-related projects.

**BE IT FURTHER RESOLVED** that pursuant to Section 4(E)(3) of the Extension Ordinance, the City of Imperial Beach certifies that all new projects, or major reconstruction projects, funded by *TransNet* revenues shall accommodate travel by pedestrians and bicyclists, and that any exception to this requirement permitted under the Ordinance and proposed shall be clearly noticed as part of the City of Imperial Beach's public hearing process.

**BE IT FURTHER RESOLVED** that pursuant to Section 8 of the Extension Ordinance, the City of Imperial Beach certifies that the required minimum annual level of local discretionary funds to be expended for street and road purposes will be met throughout the 5-year period consistent with the most recent Maintenance of Effort Requirements adopted by SANDAG.

**BE IT FURTHER RESOLVED** that pursuant to Section 9A of the Extension Ordinance, the City of Imperial Beach certifies that it will extract \$2,000 from the private sector for each newly constructed residential housing unit in that jurisdiction to comply with the provisions of the Regional Transportation Congestion Improvement Program (RTCIP).

**BE IT FURTHER RESOLVED** that pursuant to Section 13 of the Extension Ordinance, the City of Imperial Beach certifies that it has established a separate Transportation Improvement Account for *TransNet* revenues with interest earned expended only for those purposes for which the funds were allocated.

**BE IT FURTHER RESOLVED** that pursuant to Section 18 of the Extension Ordinance, the City of Imperial Beach certifies that each project of \$250,000 or more will be clearly designated during construction with *TransNet* project funding identification signs.

**BE IT FURTHER RESOLVED** that the City of Imperial Beach does hereby certify that all other applicable provisions of the Ordinances and SANDAG Board Policy 31 have been met.

**BE IT FURTHER RESOLVED** that the City of Imperial Beach agrees to indemnify, hold harmless, and defend SANDAG, the San Diego County Regional Transportation Commission, and all officers and employees thereof against all causes of action or claims related to local *TransNet* funded projects.

**BE IT RESOLVED** by the City Council of the City of Imperial Beach as follows:

1. The above recitals are true and correct.
2. The RTIP list of projects in Exhibit A (ProjecTrak forms) for fiscal years 2009 through 2013 is hereby approved.
3. The Public Works Director is authorized and directed to forward the RTIP form requesting the allocation of *TransNet* Ordinances 87-01 and 04-01 funds as provided in exhibit A.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Imperial Beach at its meeting held on the 19<sup>th</sup> day of March 2008, by the following roll call vote:

**AYES:            COUNCILMEMBERS:**  
**NOES:            COUNCILMEMBERS:**  
**ABSENT:        COUNCILMEMBERS:**

\_\_\_\_\_  
**JAMES C. JANNEY, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**JACQUELINE M. HALD, CMC**  
**CITY CLERK**

I, City Clerk of the City of Imperial Beach, do hereby certify the foregoing to be a true and correct copy of Resolution No. 2008-6603– A Resolution of the City Council of the City of Imperial Beach, California, Adopting the *Transnet* Local Street Improvement Program of Projects for Fiscal Years 2009 through 2013

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
DATE

# **Item No. 6.5**

**Attachment 2**  
**To be provided prior to**  
**City Council Meeting**





**AGENDA ITEM 7.1**

**STAFF REPORT  
IMPERIAL BEACH REDEVELOPMENT AGENCY**

**TO: CHAIR AND MEMBERS OF THE REDEVELOPMENT AGENCY**

**FROM: GARY BROWN, EXECUTIVE DIRECTOR**

**MEETING DATE: MARCH 19, 2008**

**ORIGINATING DEPT.: COMMUNITY DEVELOPMENT DEPARTMENT  
GREG WADE, DIRECTOR  
GERARD SELBY, REDEVELOPMENT COORDINATOR** 

**SUBJECT: REDEVELOPMENT OF THE MIRACLE SHOPPING CENTER, NORTH ISLAND CREDIT UNION AND IMPERIAL BEACH MEDICAL CENTER SITES LOCATED ON THE SOUTH SIDE OF STATE ROUTE ("SR") 75/PALM AVENUE AND BETWEEN 9<sup>TH</sup> AND 7<sup>TH</sup> STREETS.**

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**BACKGROUND**

The proposed redevelopment of the Miracle Shopping Center ("MSC"), North Island Credit Union ("NICU"), and the Imperial Beach Medical Center ("IBMC") sites support the Goals and Objectives of the Imperial Beach General Plan, the objectives of the Palm Avenue/Commercial Avenue Redevelopment Plan and the Five-Year Implementation Plan, and the strategies and mission of the Economic Development Plan in the following ways:

- Pursues a public/private partnership to improve large commercial properties in the Palm Avenue commercial corridor that will stimulate further improvements in the area;
- Facilitates redevelopment of the Palm and 9<sup>th</sup> Street Commercial Retail Properties; and
- Strengthens the economic viability of Imperial Beach through expanding commercial retail activity and improving the quality of life for the entire community.

In December 2004, the City Council of Imperial Beach ("Council") authorized the Redevelopment Agency ("City/Agency") to issue a "Statement of Interest and/or Development Proposals" ("RFP") to property owners, tenants, and businesses located on the south side of Palm Avenue, between 7<sup>th</sup> and 9<sup>th</sup> streets ("Site").

In April 2007, the Imperial Beach Redevelopment Agency (Agency") authorized staff to issue a "Request for Qualifications/Proposals for Real Estate Development in Imperial Beach" for the same site.

In July 2007, the Agency received two responses to the Agency's Request for Qualifications/Proposals for Real Estate Development in Imperial Beach.

The development teams are:

- "Imperial Beach Gateway Team" originally composed of K. Hovnanian Homes and Sterling Development. The revised development team is Jeffrey Rasak of Sterling Development Corporation and Dan Malcolm of Lee & Associates ("Sterling").
- "The Shops at Palm Avenue" represented by Arnel Hopkins.

The initial economic analyses of each project indicated that an infusion of Agency funds would be necessary to make either project feasible but were beyond the existing Agency budget for 9<sup>th</sup> & Palm. In September 2007, Staff and Keyser Marston ("KMA") met with each development team to discuss project feasibility, review our assumptions, and explore ways to close the economic gap. The question asked at each meeting was the same: What could be done to make each project economically feasible? Each team agreed to revise its proposal to address this question.

In October 2007, the development teams submitted revised proposals. The original and revised proposals were reviewed and evaluated by a 9<sup>th</sup> & Palm City Council Committee that included of Mayor Jim Janney and Council-Member Mayda Winter assisted by City Manager Gary Brown, Community Development Director Greg Wade, and Redevelopment Coordinator Gerard Selby. Paul Marra of Keyser Marston Associates (City of Imperial Beach's Economic Consulting Services) and Susan Cola of Kane Ballmer and Berkman, Special Agency Counsel also reviewed the original proposals, the revised proposals and the information gathered in the developer interviews.

The Committee met with each development team to discuss the revised proposals. In follow-up discussions prior to these interviews, the Committee asked staff to seek additional information. The Committee then met to review the additional information and formulate a recommendation.

The Committee met on February 19, 2008 to discuss the Arnel Hopkins and Sterling proposals and other possible redevelopment options. It was the consensus of the Committee that the redevelopment options for the Sites should be placed on the next possible City Council/Redevelopment Agency Agenda for a discussion with the rest of the Council Members. The objective for this meeting is to provide an opportunity to reach consensus on the vision for the site and to provide direction to staff to pursue one of the options that best meets that vision.

## **DISCUSSION**

The redevelopment options are as follows:

1. **Reject Both Proposals** - Reject entering into ENAs with Arnel Hopkins and Sterling and proceed with acquisition of IBMC, NICU, MSC sites (Alternate: reject both proposals, but not acquire the sites);
2. **Accept Both Proposals** - Enter into ENAs with Arnel Hopkins and Sterling for a commercial projects on the MSC, IBMC and NICU sites;
3. **Accept Sterling/Reject Hopkins** - Enter into an ENA with Sterling for a commercial project at IBMC and NICU sites and reject entering into an ENA with Arnel Hopkins for a commercial project on the MSC site; or
4. **Accept Hopkins/Reject Sterling** - Enter into an ENA with Arnel Hopkins for a commercial project on the MSC site and reject entering into an ENA with Sterling for a commercial project at IBMC & NICU.

Additional comments on the redevelopment options are attached to this report as Attachment 1. Also, staff has provided a description of the various development proposals in Attachment 2.

## **ENVIRONMENTAL DETERMINATION**

The evaluation of redevelopment options is not a project as defined by CEQA. The appropriate environmental documentation will be prepared concurrent with the entitlement phase of any project.

## **FISCAL IMPACT**

The fiscal impact to the Agency would depend on the direction provided by the City Council.

## **RECOMMENDATION**

Staff recommends that the Redevelopment Agency:

1. Consider the pluses and minuses of each redevelopment option; and
2. Provide direction to City and Agency staff.

  
\_\_\_\_\_  
Gary Brown, Executive Director

**ATTACHMENTS:** Attachment 1 – Redevelopment Options Matrix  
Attachment 2 – Project Descriptions



9<sup>th</sup> & Palm Redevelopment Options  
 March 11, 2008

REDEVELOPMENT OPTION - 1	PLUSES	MINUSES	COSTS
<p>Reject entering into ENAs with Arnel Hopkins and Sterling</p> <p>Proceed with acquisition of the Imperial Beach Medical Center North Island Federal Credit Union and the Miracle Shopping Center sites (Wait for housing market to rebound)</p>	<p>Site Control</p> <p>Easier to facilitate development</p> <p>Upfront investment may reduce future investment</p> <p>Potential development of mixed-use project may meet Regional Housing Share and Smart Growth objectives</p> <p>Opportunity to Master Plan site</p> <p>Retain future development opportunities</p>	<p>Blighting conditions remain indefinitely</p> <p>Delays Redevelopment of Economic Infrastructure</p> <p>Delays the pursuit of a public/private partnership to improve large commercial properties in the Palm Avenue commercial corridor that will stimulate further improvements in the area</p> <p>Delays the redevelopment of the Palm and 9<sup>th</sup> Street Commercial Retail Properties</p> <p>Delays attempts to strengthen the economic viability of Imperial Beach through expanding commercial retail activity, improving the quality of life for the entire community</p> <p>Uncertainty about housing market and the feasibility of housing at this site</p>	<p>Acquisition &amp; Relocation (\$14 million)</p> <p>Legal Fees</p> <p>Use of Eminent Domain on the owner of the IBMC site</p> <p>Unknown temporary Improvements</p> <p>Annual maintenance</p> <p>Management &amp; administrative</p> <p>Phase I &amp; II Environmental Studies approximately \$50,000</p> <p>Abatement, demolition &amp; remediation</p>

9<sup>th</sup> & Palm Redevelopment Options  
 March 11, 2008

REDEVELOPMENT OPTION - 2	PLUSES	MINUSES	COSTS
<p>Enter into ENA with Arnel Hopkins for a commercial project at the Miracle Shopping Center site</p> <p>Enter into ENA with Sterling for a commercial project at the IBMC and NIFCU sites</p>	<p>Eliminates major negative image</p> <p>Creates a public/private partnership to improve commercial properties in the Palm Avenue commercial corridor that will stimulate further improvements in the area</p> <p>Redevelops the 9<sup>th</sup> and Palm Commercial Retail Properties</p> <p>Strengthens the economic viability of Imperial Beach through expanding commercial retail activity</p>	<p>Increase in traffic, but likely with any redevelopment</p> <p>Doesn't develop site to its greatest potential</p> <p>Eliminates key Smart Growth sites from the potential developable land inventory</p> <p>Poor urban design for proposed Sterling project</p> <p>Both developments may not occur</p>	<p>\$8,000,000 subsidy for Arnel Hopkins (includes relocation)</p> <p>Staff Estimates \$2,000,000 agency subsidy for Sterling and dedication of public right-of-way (includes relocation)</p> <p>Use of Eminent Domain on the owner of the IBMC site</p>

9<sup>th</sup> & Palm Redevelopment Options  
 March 11, 2008

REDEVELOPMENT OPTION - 3	PLUSES	MINUSES	COSTS
<p>Enter into ENA with Sterling for a commercial project at the IBMC and NIFCU sites</p> <p>Reject entering into ENA with Arnel Hopkins for a commercial project at the Miracle Shopping Center site.</p>	<p>Creates new economic infrastructure</p> <p>Partial site control by Sterling</p> <p>Eliminates under utilized uses in prime commercial area</p> <p>Creates a public/private partnership to improve commercial properties in the Palm Avenue commercial corridor that may stimulate further improvements in the area</p> <p>Strengthens the economic viability of Imperial Beach through expanding commercial retail activity</p>	<p>Complicates future commercial development Miracle Shopping Center Site</p> <p>Possible elimination of local medical practice and clinic</p> <p>Increase in traffic, but likely with any redevelopment</p> <p>Poor Urban Design</p> <p>Doesn't develop site to its greatest potential (Agency has to appraise at highest and best use, but potential development is not at highest and best. The highest and best use allowed by the zoning is mixed-use.)</p> <p>Eliminates key Smart Growth sites from the potential developable land inventory</p>	<p>Unknown amount of Agency subsidy, Staff estimates \$2 million, plus dedication of public right-way</p>

9<sup>th</sup> & Palm Redevelopment Options  
 March 11, 2008

REDEVELOPMENT OPTION - 4	PLUSES	MINUSES	COSTS
<p>Enter into ENA with Arnel Hopkins for a commercial project at the Miracle Shopping Center site</p> <p>Reject entering into ENA with Sterling for a commercial project at the IBMC and NIFCU sites</p>	<p>Eliminates major negative image</p> <p>Creates a public/private partnership to improve commercial properties in the Palm Avenue commercial corridor that may stimulate further improvements in the area</p> <p>Redevelops of the Palm and 9<sup>th</sup> Street Commercial Retail Properties</p> <p>Strengthens the economic viability of Imperial Beach through expanding commercial retail activity</p>	<p>Increase in traffic, but likely with any redevelopment</p> <p>Doesn't develop site to its greatest potential</p> <p>Eliminates key Smart Growth sites from the potential developable land inventory</p> <p>Potential use of the Agency's eminent domain authority</p>	<p>\$8,000,000 subsidy for Arnel Hopkins (includes relocation)</p>

**Original and Revised Project Descriptions  
9<sup>th</sup> & Palm**

<b>Arnel Hopkins</b>	<b>Original</b>	<b>Revised</b>
Residential	0	0
Retail	71,000	60,000
Office	41,000	0
Total Gross Building Area	112,000	60,000
Number of Residential Units	0	0
Number Stories	2	1
Total Parking Spaces/Ratio	510/4.6 per 1,000 sq GBA	240/4.0 per 1,000 sq GBA

<b>Sterling/K/Hovnanian</b>	<b>Original</b>	<b>Revised – Phase 1</b>
Residential	270,400	0
Retail	70,300	27,000
Office	0	0
Total Gross Building Area	340,7000	27,000
Number of Residential Units	0	0
Number Stories	3	1
Total Parking Spaces	702/5.0 per 1,000 sq GBA	108/4.0 per 1,000 sq GBA

<b>Sterling/K/Hovnanian</b>	<b>Original</b>	<b>Revised – Phase 2</b>
Residential	270,400 sq	N/A sq
Retail	70,300 sq	40,000 to 50,000 sq
Office	0 sq	0 sq
Total Building Area	340,700 sq	N/A sq
Number of Residential Units	0	150-175
Number Stories	3	2
Total Parking Spaces	702/5.0 per 1,000 sq GBA	108/4.0 per 1,000 sq GBA





## STAFF REPORT CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL  
FROM: GARY R. BROWN, CITY MANAGER

MEETING DATE: MARCH 19, 2008

ORIGINATING DEPT.: FINANCE DEPARTMENT

SUBJECT: FEES ASSOCIATED WITH BUSINESS MASSAGE  
ESTABLISHMENTS AND TECHNICIANS

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### BACKGROUND:

During public comment at the February 6, 2008 City Council meeting, a citizen stated that our fees related to businesses that have a massage component are higher than surrounding cities. This report discusses the current massage business license fee, associated processing charges, and related requirements. Staff is recommending a reduction in fees. If the Council approves staff's recommendation, staff will schedule a public hearing and bring back recommended changes in the Municipal Code.

### DISCUSSION:

In 1972 Chapter 4.28 of the Municipal Code established regulations relative to massage establishments. This section of the code was strengthened in 2005 to reduce the opportunities for massage establishments to act as houses of prostitution and to eliminate other associated problems. The code currently has strict requirements for both massage establishments and massage technicians. Chapter 4.28 requires an operator to furnish: previous addresses, proof of age, last 5 years of employment or business operations, license or permit history, conviction history, fingerprints, and photographs. The code also requires the facility to have dressing rooms, separate massage rooms, lockers, showers, toilet, and basins.

This section also requires the City to: determine conformance to City's land use regulations; inspection of the premises; contact with the Health Department; and have the Sheriff's Department conduct a background check. The City's administrative processing charge to cover the above review is \$433. This onetime administrative processing fee was adopted in 2005 based on the Maximus consulting firm's "City of Imperial Beach User Fee Study".

In addition to the above processing fee, a massage establishment is required to annually obtain a business license. Business licenses are defined in Chapter 4.04 of the City's municipal code. The annual fee for a massage establishment is \$525 and \$6 dollars per employee. The annual fee for a message technician is \$158.

Below is a survey of local jurisdictions relative to massage establishments and technicians:

### Massage Establishment Business License and Processing Fees

	<b>El Cajon</b>	<b>Santee</b>	<b>National City</b>	<b>Chula Vista</b>	<b>San Diego</b>	<b>La Mesa</b>	<b>Coronado</b>	<b>Escondido</b>	<b>Imperial Beach</b>
Base Fee	\$45	\$290	\$100	\$250	\$34	\$35	min \$25 max \$87	min \$45.00 no max	\$525
Processing/Background Fee	\$300		\$32		\$80	\$350	\$38	\$195	\$433
Planning Fee				\$30	\$17	\$60	\$55		
<b>Total Fee</b>	<b>\$345</b>	<b>\$290</b>	<b>\$132</b>	<b>\$280</b>	<b>\$131</b>	<b>\$445</b>	<b>\$118</b>	<b>\$240</b>	<b>\$958</b>

### Massage Technician Business License and Processing Fees

	<b>El Cajon</b>	<b>Santee</b>	<b>National City</b>	<b>Chula Vista</b>	<b>San Diego</b>	<b>La Mesa</b>	<b>Coronado</b>	<b>Escondido</b>	<b>Imperial Beach</b>
Base Fee	\$40	\$130	\$100	\$105	\$34	\$35	gross min \$25.00	gross min \$45.00	\$158
Processing/Background Fee	\$300		\$32	\$82	\$80	\$350	\$38	\$195	\$433
Planning Fee				\$30	\$17	\$60	\$55		
<b>Total Fee</b>	<b>\$340</b>	<b>\$130</b>	<b>\$132</b>	<b>\$217</b>	<b>\$131</b>	<b>\$445</b>	<b>\$118</b>	<b>\$240</b>	<b>\$591</b>

### Massage Technician Application Requirements

	<b>El Cajon</b>	<b>Santee</b>	<b>National City</b>	<b>Chula Vista</b>	<b>San Diego</b>	<b>La Mesa</b>	<b>Coronado</b>	<b>Escondido</b>	<b>Imperial Beach</b>
Number of Hours Training	200	na	500	500	500	200	100	100	200
Written/Practical Health Exam by County	yes or degree	yes	no	no	yes	yes	no	no	no
Health Form	yes	yes	yes	yes	no	yes	no	no	yes
Photos	yes	yes	no	yes	yes	yes	no	yes	yes
Residency History	5 yrs	2 previous	no	5 yrs	5 yrs	3yrs	no	3 yrs	5 yrs
Employment History	5 yrs	3 yrs	no	5 yrs	5yrs	3yrs	no	3 yrs	5 yrs
Processing Time	unknown	unknown	unknown	unknown	unknown	4-6 weeks	unknown	30 days	30 days
Background Check Time	unknown	unknown	unknown	6 weeks	unknown	30 days	unknown	30 days	30 days
membership in association	no	no	yes	no	no	no	no	no	HHP only
Written Statements of character	yes 5	no	no	no	no	no	no	no	yes 5

## Massage Establishment Facility Requirements

	<b>El Cajon</b>	<b>Santee</b>	<b>National City</b>	<b>Chula Vista</b>	<b>San Diego</b>	<b>La Mesa</b>	<b>Coronado</b>	<b>Escondido</b>	<b>Imperial Beach</b>
Bathroom Requirements separate facilities for men/women and tub or shower available.	yes	yes	yes	yes	yes	yes	yes	yes	operator must control room
Clean Linens	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disinfecting agents /Sterilizing equipment required	na	yes	yes	yes	yes	yes	yes	yes	yes
Waste Regulations	na	na	na	yes	yes	na	na		na
Tech Licenses Displayed	yes	na	yes		yes	na	na	yes	yes
Name Tags	na	na		yes	yes	na	na	na	na
Hours	7am-	na	10am-	7am-9pm	7am-	7am-	7am-10pm	7am-9pm	7am-9pm
Services Posted	yes	na	yes	yes	yes	yes	yes	na	yes
Private Rooms	yes	na	yes	opposite sex only	yes	yes	yes	yes	yes
Anatomical Areas covered	yes	na	yes	yes	yes	na	yes	yes	yes
Posted no touching anatomical areas	na	na	na	yes	na	na	na	na	na
Massage Establishment sign	na	yes	yes	yes	na	na	na	na	yes
Records Confidentiality	yes	yes		yes		yes	yes	yes	yes
Inspections	yes	2 times a	na	4 times a	na	periodic	na	reasonable	reasonable
Standards	away from adult business, residential, schools etc								Impose conditions employees, number of patrons etc

### FISCAL ANALYSIS:

From the survey data above, the City's license and fees are considerable higher than other jurisdictions. Staff is proposing lowering business licenses to promote services that our citizens desire, while still having protection against illegal activity. The onetime administrative processing fee can also be reduced due to technology enhancements since the user fee study. Staff is recommending the following fee adjustments:

	<b>Existing</b>	<b>Proposed</b>	<b>Change</b>	<b>% Change</b>
Annual Massage Establishment Business License	\$ 525	\$ 250	\$ (275)	-52%
Annual Massage Technician Business License	\$ 158	\$ 75	\$ (83)	-53%
Onetime Administrative Processing Charge	\$ 433	\$ 200	\$ (233)	-54%

The budget for all business license fees is \$265,200. Changes to massage related businesses would have minimal financial impacts.

### DEPARTMENT RECOMMENDATION:

It is respectfully requested that the City Council:

1. Receive this report.
2. Accept Staff's recommended fee changes.
3. Notice a public hearing on fee changes
4. Return to City Council with proposed changes to the Municipal Code relative to fee changes.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department recommendation.

  
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Gary R. Brown, City Manager

Attachment:

1. Chapter 4.28 of the Municipal Code (Massage Establishments and Technicians)

**ATTACHMENT 1: City of Imperial Beach Municipal Code****Chapter 4.28. MASSAGE ESTABLISHMENTS AND TECHNICIANS****Note**

\* Prior history: Prior code §§ 261—288 as amended by Ords. 315 and 2000-958.

**4.28.010. Purpose.**

A. It is the purpose of this chapter to provide for the orderly regulation of massage businesses.

B. It is unlawful for any person (including without limitation, a corporation, partnership, group or association) to commence, conduct, own, manage, operate, be in charge of, participate in, or sponsor a massage business in violation of any of the requirements of this chapter. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.020. Definitions.**

For the purpose of this chapter, the following words and phrases shall have the meanings ascribed to them in this section:

“Applicant” means, in the case of:

1. Sole proprietor: the individual;
2. Partnership: each individual partner;
3. Association: each individual member;
4. Corporation: each officer, director, and holder of five percent or more of the corporation’s stock.

“Educational credentials for massage technicians” means the following:

1. Written proof of graduation from a school or institution of learning which has for its primary purpose the teaching of the theory, method, profession, or work of massage; and which requires a residence course of study that is not less than two hundred fifty hours; and which issues a diploma or certificate upon graduation; and
2. Successful completion of an examination prepared and conducted by the San Diego County Department of Public Health, in which the applicant is required to demonstrate a basic knowledge of anatomy, physiology, hygiene, and manual and mechanical massage. The examination shall include both a practical demonstration and a written test.

“Health Department” means the Department of Environmental Health of the County of San Diego, which serves as the City’s Health Department.

“Health officer” means the Health Officer of the County of San Diego, or his/her designees that serves as the City’s Health Officer.

“License” means the business license to operate a “massage establishment” required by this chapter.

“Massage” means any method of pressure on, or friction against, or stroking, kneading, rubbing, tapping, pounding, vibrating, or stimulating the external parts of the human body with the hands or other parts of the body, with or without the aid of any mechanical or electrical apparatus or appliances, or with or without supplementary aids such as rubbing alcohol, liniments, antiseptics, oils, powder, creams, lotions, ointments or other similar preparations commonly used in this practice.

“Massage business” means a commercial activity involving, in whole or in part, the recurring giving or administering of massages. A massage business may involve, among other things:

1. “Massage establishment” means a fixed location at which a massage business engages in or carries on a commercial activity involving, in whole or in part, the recurring giving or administering of massages on the premises.

2. “Off-premises massage service” means the business of providing massage services by appointment at a location other than premises licensed as a massage establishment. It includes massage technicians who provide off-premise massage services and who are self-employed and/or who contract with or work for a business other than a massage establishment.

“Massage technician” means any individual who, for commercial purposes, gives or administers, or offers to give or administer, a massage to another individual.

“Patron” means an individual who is seeking or receiving a massage.

“Recognized school of massage” means any school or institution of learning, which has for its purposes the teaching of the theory, method, profession, or work of massage, which school or institution has been approved pursuant to Section 29007.5 of the California Education Code, and which requires a resident course of study of not less than two hundred fifty hours to be given in not less than six calendar months before the student shall be furnished with a diploma or a certificate of graduation. A school offering a correspondence course, but not requiring attendance, is not a “recognized school of massage.”

“Sheriff” means the Sheriff of the County of San Diego, which serves as the City’s law enforcement agency.

“Specified anatomical areas” mean pubic region, human genitals, perineum, anal region and the area of the female breast that includes the areola and the nipple. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.030. Issuing authority.**

The City Clerk is the issuing authority for the massage establishment license. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.040. Exemptions.**

A. An exempt individual may commence, conduct, own, manage, operate, be in charge of, participate in, or sponsor a massage business without having a massage establishment license and without complying with the regulations of the other sections of this chapter, so long as all massages that are part of the individual's massage business comply with each of the following requirements:

1. Are administered under the control and direction of such exempt individual;
2. Are part of the performance of the exempt individual's profession or activity; and
3. Are administered by a person who possesses a valid massage technician permit or is exempt from such requirement.
4. No person involved in the activities of the individual has been convicted of a crime within five years, which would allow the City to deny an application for a massage establishment license.

B. Exempt individuals: so long as the requirements of subsection A of this section are being met, for purposes of this chapter, an "exempted individual" is one who is within one or more of the following categories:

1. Physicians, surgeons, chiropractors, osteopaths, psychiatrists, psychologists, clinical social workers, family counselors and clergymen who are licensed to practice their respective professions in the State or who are permitted to practice temporarily under the auspices of an associate or business duly licensed in the State;
2. Registered nurses, practical nurses, and licensed vocational nurses who possess a current and valid license from the State of California to practice their respective profession in this State, and who administer a massage in the normal course of nursing duties;
3. Trainers employed by any amateur, semi-professional or professional athlete or athletic team, and who administer a massage in the normal course of training duties;
4. Barbers and beauticians who possess a current and valid license from the State of California to practice their respective profession in this State, and who administer a massage in the normal course of their duties;
5. Any duly licensed business in which the above-described persons practice their respective professions;

6. Hospitals, nursing homes, sanitariums, persons holding an unrevoked certificate to practice the healing arts under the laws of the State, or persons working under the direction of any such person or in any of such businesses;

7. A holistic health practitioner, while engaging in practices within the scope of their practice. A “holistic health practitioner” is a nonmedical health care technician who uses massage in a therapeutic approach to carrying for patrons. The practice of such health care technician may include other services such as nutritional assistance or counseling as long as all massage activities are directed toward health care. To qualify for this exemption, the person, prior to initiating the conduct of a massage business within the City, must first present themselves to the issuing authority to be registered and provide proof of:

a. Satisfactory completion of no less than one thousand hours of instruction in such specialty and therapeutic approach at a school whose curriculum is accredited by the State of California;

b. Evidence of passing a qualified written examination prepared by the Health Department and administered by the Sheriff establishing competency and ability of the applicant to engage in the practice of massage;

c. Proof of membership in a State or nationally chartered organization devoted to the practitioner’s specialty or therapeutic approach whose members are subject to a code of behavior that is effectively enforced against members by the organization and which requires participation in continuing education; and

d. Evidence of passing an examination prepared and conducted by the Health Department wherein the applicant shall be required to demonstrate a basic knowledge of anatomy, physiology, hygiene and manual and mechanical massage.

C. Renting office or workspace at an otherwise exempt location does not provide the renter with an exemption from this chapter.

D. The exemptions described in this section do not relieve any massage technicians who are employed by an exempt individual from the requirements of this chapter. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.050. Massage establishment license required.**

No person shall maintain or allow a massage establishment on any premises within the City of Imperial Beach without an annual license for the operation of a massage establishment issued by the issuing authority, which remains in effect in conformity with the provisions of this chapter. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.060. Massage establishment license application.**

The application for a license to operate a massage establishment shall set forth the exact nature of the massage to be administered, the proposed place of business and facilities therefor, and the name and address of each applicant.

In addition to the foregoing, any applicant for a license shall furnish the following information:

A. The two previous addresses of the applicant immediately prior to the present address of the applicant;

B. Written proof satisfactory to the Sheriff that the applicant is over the age of eighteen years;

C. Applicant's height, weight, color of eyes and hair;

D. Four portrait photographs, at least two inches by two inches. The Sheriff shall retain one photograph and one photograph shall be affixed to the license;

E. Business, occupation, or employment history of the applicant for the five years immediately preceding the date of application;

F. The business license or permit history of the applicant: whether such person, in previously operating in this or another country, City or State, under license or permit, has had such license or permit suspended or revoked, the reason therefor, and the business activity or occupation subsequent to such suspension or revocation;

G. Whether such person has ever been convicted of any crime, including those dismissed pursuant to Penal Code Section 1203.4, except misdemeanor traffic violations. If any person mentioned in this subsection has been so convicted, a statement must be made giving the place and court in which such conviction was had, the specific charge under which the conviction was obtained, the sentence imposed as a result of such conviction, and the circumstances surrounding the crime for which he was convicted;

H. Such other identification and information reasonably necessary for the City to discover the truth of the matters required to be set forth in this section;

I. The Sheriff may take the fingerprints and additional photographs of the applicant, and may confirm the height and weight of the applicant;

J. If the applicant is a corporation, the name of the corporation shall be set forth exactly as shown in its article of incorporation, together with the names and residence addresses of each of its current officers, directors, and each stockholder holding more than five percent of the stock of the corporation. If the applicant is a partnership, the application shall set forth the name and residence address of each of the partners, including limited partners. If one or more of the partners is a corporation, the provisions of this section pertaining to corporate applicant apply. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.070. Processing an application.**

Upon receipt of the application, the issuing authority shall collect the authorized processing fee. The issuing authority shall retain one photograph of the applicant to be attached to the permit. Then, the issuing authority shall deliver a copy of the application to the following:

- A. To the Health Department to conduct an inspection of the premises of any proposed massage establishment and report on compliance with health related regulations.
- B. To the Planning Department:
  - 1. To determine the proposed activity's conformance to the City's land use regulations; and
  - 2. To conduct an inspection of the premises of any proposed massage establishment and report on compliance with the facilities requirements of this chapter.
- C. To the Sheriff's Department to conduct a review and background check and report on the applicant's suitability under this chapter. The issuing authority shall send one photograph of the permittee to the Sheriff. Upon receipt of such application, the Sheriff's Department shall have a reasonable time, not to exceed thirty days, to investigate the applicant and background of the applicant. This investigation period may be extended for good cause by the City Manager. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.080. Massage establishment license application fee.**

- A. The City Council, by resolution, shall establish application fees to cover the cost of processing applications and conducted pre-issuance inspections and investigations; and permit issuance fees for post issuance inspections and the enforcement of the provisions of this chapter.
- B. The amount of the fees shall include the charges fixed by the Health Department and Sheriff's Department for providing services to the City in the administration of this chapter. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.090. Issuance of massage establishment license.**

- A. A license shall be issued within thirty days of receipt of the application to any applicant who has furnished all the information required by this section in the application for such license provided that all of the following requirements are met:
  - 1. The applicant has not knowingly made a material false statement in the application for the license;

2. The applicant, if an individual, or in the case of an applicant which is a corporation or partnership, any of its officers, directors, holders of five percent or more of the corporation's stock, or partners, has not within five years immediately preceding the date of the filing of the application been convicted in a court of competent jurisdiction of all criminal convictions, including those dismissed pursuant to Penal Code Section 1203.4, except traffic, and a statement of the dates and places of such convictions;

3. The massage establishment proposed by the applicant complies with all applicable laws including, but not limited to, health, zoning, fire and safety requirements and standards;

4. The applicant is at least eighteen years of age;

5. The applicant has not had a massage establishment, adult massage technician, escort service, sexual encounter studio, nude photo studio, or similar type of license or permit suspended or revoked for good cause within the three years immediately preceding the date of the filing of the application, unless the applicant can show a material change in circumstances since the revocation or suspension;

6. The applicant has fulfilled the requirements of Section 4.28.150 of this chapter;

7. The application includes payment of a nonrefundable annual fee, which shall be set periodically by resolution of the City Council; and

8. The City Manager has not extended the investigation period for the license application.

B. The massage establishment license shall:

1. Identify the applicant;

2. Identify the place of business;

3. Identify the massage establishment, if any, and state:

a. The maximum number of patrons for which the massage establishment can render on-site, simultaneous massages;

b. Whether the massage establishment license allows male and female patrons to be served simultaneously;

c. The number of employees needed to serve the maximum number of patrons for which the massage establishment can render on-site simultaneous massages; and

d. Whether the massage establishment license allows for male and female employees to be on premises simultaneously.

4. Specifically permit off-premises massage service, if appropriate;

5. Impose conditions that are reasonably necessary to the businesses compliance with the regulations of this chapter;

6. Specify a permit expiration date, one year from the date of issuance; and

7. Expressly state that while the massage establishment license authorizes the business to be conducted, each person who gives or administers a massage as part of that business is required to have a massage technician permit.

C. A massage establishment license shall not be issued until the Health Department, the Sheriff, and the Planning Department have notified the issuing authority in writing that the applicant has fulfilled the requirements of this chapter.

D. The license must be renewed on a year-to-year basis. Renewal fees are due and payable one year from the issuance date. Application for renewal shall be on the same application form as required by Section 4.28.060 of this chapter. (Ord. 2005-1031 § 1 (part), 2005)

#### **4.28.100. Records of treatment.**

Every massage establishment shall keep for a period of ninety days a record of the date and hour of each treatment, fee charged for services and the name of the technician administering such treatment. Such record shall be open to inspection by officials charged with the enforcement of the provisions of this chapter. The information furnished or secured as a result of any such inspection shall be confidential. (Ord. 2005-1031 § 1 (part), 2005)

#### **4.28.110. Inspection by officials.**

The investigating officials of the City and the San Diego County health officer shall have the right as otherwise provided for by law to enter the premises of a massage establishment from time to time during regular business hours for the purpose of making reasonable inspection to enforce compliance with building, fire, electrical, plumbing, and health regulations, or any other provision of this chapter. This section shall not restrict or limit the right of entry vested in any law enforcement agency to enter for a law enforcement purpose. (Ord. 2005-1031 § 1 (part), 2005)

#### **4.28.120. Transfer of massage establishment license.**

No massage establishment license shall be transferable to another person. (Ord. 2005-1031 § 1 (part), 2005)

#### **4.28.130. Change of location.**

The change of location of a licensed massage establishment is prohibited, unless application for a new location is made pursuant to Section 4.28.060 of this chapter. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.140. Sale or transfer.**

A. Upon the sale or transfer of any interest in a massage establishment, any license issued under this chapter shall be null and void.

B. Any application for an extension, or expansion of the building or other place of business of the massage establishment shall require an inspection and shall require compliance with Section 4.28.060 of this chapter. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.150. Massage establishment operating requirements.**

No person, association, partnership or corporation shall engage in, conduct, or permit the operation of a massage establishment unless each and all of the following requirements are met:

A. Each person employed or acting as an adult massage technician shall have a valid license issued pursuant to the provisions of this chapter, and it is unlawful for any owner, operator, responsible managing employee, manager, permittee or licensee in charge of or in control of a massage establishment to employ or permit any person to act as an adult massage technician who is not in possession of a valid and current license.

B. The possession of a valid massage establishment license does not authorize the possessor to perform work for which a massage technician permit is required.

C. Massage operations shall be carried on and the premises shall be open only between the hours of seven a.m. and nine p.m.

D. A list of services available and the cost of such services shall be available for inspection upon request of the public or any official authorized to make any inspection of the premises. The service shall be described in readily understandable language. No owner, operator, responsible managing employee, manager, permittee or licensee in charge of or in control of the massage establishment shall permit and no adult massage technician shall offer to perform, nor shall perform, any service other than those listed and available for inspection.

E. The massage establishment license, public health permit, and a copy of the permit of each and every adult massage technician employed by or working in the establishment shall be kept in one place, readily available for inspection. This section does not supersede any other requirement concerning the display of licenses and permits.

F. Clean and sanitary towels, sheets and linens shall be provided for each patron receiving massage services. No common use of towels or linens shall be permitted, and reuse is prohibited unless

linens have been first laundered. Heavy white paper may be substituted for sheets, provided that such paper is used once for each person, and then discarded into a sanitary receptacle.

G. Disinfecting agents and sterilizing equipment sufficient to assure cleanliness and safe conditions shall be provided for any instruments used in performing any massage.

H. Pads used on massage tables shall be covered with durable, washable plastic or other waterproof material.

I. Each massage establishment shall provide to all patrons clean, sanitary and opaque coverings capable of covering the patron's specified anatomical areas. Such coverings shall be used for one customer only and shall not be reused without first being cleaned.

J. No owner, operator, responsible managing employee, manager, permittee or licensee in charge of or in control of a massage establishment shall permit a massage to be given unless the patron's specified anatomical areas are covered during the entire massage by the covering referred to in subsection I of this section.

K. With the exception of bathrooms or dressing rooms not open to public view, no owner, operator, responsible managing employee, manager, permittee or licensee in charge of or in control of any massage establishment shall permit any person in any area within the massage establishment which is used in common by the patrons or which can be viewed by patrons from such an area, unless such person's specified anatomical areas are fully covered.

L. No owner, operator, responsible managing employee, manager, permittee or licensee in charge of or in control of massage establishment shall permit any adult massage technician to perform any service or task while in the presence of a patron or to be on the premises of a massage establishment during its hours of operation unless the adult massage technician is fully covered from a point not to exceed four inches above the center of the kneecap to the base of the neck. Such covering shall be of an opaque material and shall be maintained in a clean and sanitary condition.

M. No owner, operator, responsible managing employee, manager, permittee or licensee in charge of or in control of a massage establishment shall permit any person to massage or intentionally touch the specified anatomical areas of another person while performing the services of an adult massage technician.

N. A massage establishment shall not be operated as a school of massage, or use the same facilities as that of a school of massage.

O. Alcohol or Drugs.

1. No massage business operator shall permit a person to be or remain in any part of a massage establishment while such person is in the possession of, consuming, using or under the influence of any alcoholic beverage or drug, except pursuant to a doctor's prescription.

2. It is unlawful for any person to be or remain in any part of a massage establishment while in the possession of, consuming, using or under the influence of any alcoholic beverage or drug, except pursuant to a doctor's prescription.

P. Access to Establishment.

1. Each entrance to the massage establishment, regularly used by the public for ingress or egress to such establishment, shall remain unlocked during business hours.

2. The massage business operator shall allow City Officials to enter the massage establishment from time to time for the purpose of making reasonable inspections to observe and enforce compliance with the applicable regulations, laws, and the provisions of this chapter.

Q. Facilities to Serve Patron. Based on the maximum number of patrons for which the massage establishment can simultaneously render on-premises massages, there shall be:

1. One or more dressing rooms for the exclusive use of patrons with sufficient capacity to serve the maximum number of patrons.

2. A minimum of one separate locker available for each patron, capable of being locked by the patron, with sufficient size and strength to protect the clothing and valuables of the patron.

3. A minimum of one shower or tub for each six patrons, or portion thereof.

4. For every six patrons, or portion thereof: one toilet and one wash basin located together, within or as close as practicable to the area devoted to giving or administering the massage.

a. The operator must control the toilet area to insure that it is not accessible by both sexual genders at the same time.

b. The provision of each required wash basin shall include, at all times: (1) hot and cold running water provided through a mixing faucet; (2) hand washing soap or detergent immediately available in a permanent, wall mounted dispenser; and (3) sanitary towels immediately available in a permanent, wall mounted dispenser.

5. A separate massage room for each patron.

6. In those establishments where steam room or sauna baths are provided, if the massage establishment license allows male and female patrons to be served simultaneously, each steam room and sauna room shall be posted and directly controlled to insure that neither is accessible by both sexual genders at the same time.

R. Signs.

1. At the main entrance of the massage establishment, in compliance with the sign regulations of this chapter, a recognizable and legible sign shall be posted which identifies the premises as a massage establishment.

2. Within the massage establishment, in an open and conspicuous public place on the premises, the massage business operator shall post and at all times maintain a list of services available and the cost of such services. The services shall be described in readily understandable language. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.160. Massage technician permit required.**

It is unlawful for any person to act as a massage technician without a permit. Any person desiring to engage in off-premise massage must obtain an off-premise massage business permit. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.170. Massage technician permit and off-premise massage business permit application contents.**

Each applicant for a massage technician permit or an off-premise massage business permit shall furnish the following information to the Sheriff's Department:

- A. The full true name and any other names ever used by the applicant;
- B. The current residential address and telephone number of the applicant;
- C. Each residential and business address of applicant for the five years immediately preceding the date of the application, and the inclusive dates of each such address;
- D. Written proof that the applicant is at least eighteen years of age;
- E. Applicant's height, weight, color of eyes and hair;
- F. Photographs of the applicant as specified by the Sheriff's Department;
- G. Applicant's business, occupation and employment history for the five years immediately preceding the date of application;
- H. Whether the applicant has ever had any license or permit issued by any agency or board, or any City, County, State or Federal agency revoked or suspended, or has had any professional or vocational license or permit revoked or suspended within five years immediately preceding the application, and the reason for the suspension or revocation;
- I. All criminal convictions, including those dismissed pursuant to Penal Code Section 1203.4, except traffic, and a statement of the dates and places of such convictions;
- J. The massage establishment at which the applicant expects to be employed, or a business address for the off-premise massage business;

K. Proof of the satisfactory completion of two hundred fifty hours of instruction from any state-approved school in a massage specialty and a therapeutic approach in caring for clients. The applicant must provide the Sheriff's Department with proof that the school(s) attended by the applicant was a state-approved school;

L. Proof of successful completion of a national certification exam administered by a national professional certification organization approved by the Sheriff's Department. The exams administered by the National Certification Board for Therapeutic Massage and Bodywork ("NCBTMB") and National Certification Commission of Acupuncture and Oriental Medicine ("NCCAOM") are approved by the Sheriff's Department;

M. Fingerprints;

N. Such other identification and information as may be required in order to discover the truth of the matters specified in this section. (Ord. 2005-1031 § 1 (part), 2005)

#### **4.28.180. Investigation of application for massage technician permit.**

A. Each application for a massage technician permit shall be accompanied by a nonrefundable investigation fee in an amount to be determined periodically by resolution of the City Council. Such fee shall be in addition to any business tax required to be paid by the terms of this chapter.

B. Upon receipt of an application, the Sheriff's Department shall have a reasonable time, not to exceed thirty days, to investigate the application and background of the applicant. The investigation period may be extended for good cause by the City Manager.

C. A person who holds a valid massage establishment license and who applies for a massage technician permit pursuant to Section 4.28.170 may be issued a permit without paying the fee required in subsection A of this section. (Ord. 2005-1031 § 1 (part), 2005)

#### **4.28.190. Issuance of massage technician permit.**

A. A massage technician permit shall be issued within thirty days of receipt of the application to any applicant who has furnished all of the information required by Section 4.28.170 of this chapter in the application for such license, provided that all of the following requirements are met:

1. The applicant has not knowingly made a material false statement in the application for the permit;

2. Whether such person has ever been convicted of any crime, including those dismissed pursuant to Penal Code Section 1203.4, except misdemeanor traffic violations. If any person mentioned in this subsection has been so convicted, a statement must be made giving the place and

court in which such conviction was had, the specific charge under which the conviction was obtained, the sentence imposed as a result of such conviction, and the circumstances surrounding the crime for which he was convicted;

3. The applicant has not had a massage establishment, adult massage technician, escort service, sexual encounter studio, adult modeling studio or similar type of license or permit suspended (for one year or more) or revoked for good cause within the three years immediately preceding the date of the filing of the application, unless the applicant can show a material change in circumstances since the revocation or suspension;

4. The applicant has otherwise complied with all other applicable provisions of this chapter; and

5. The City Manager has not extended the investigation period for the permit application.

B. An application for a massage technician permit must be accompanied by the first annual nonrefundable fee for adult massage technicians, in an amount to be set periodically by resolution of the City Council.

C. The permit must be renewed on a year-to-year basis. Application for renewal shall be on the same application form as required by Section 4.28.170 of this chapter, and shall be accompanied by the annual fee described in subsection B of this section. (Ord. 2005-1031 § 1 (part), 2005)

#### **4.28.200. Transfer of massage technician permit.**

No massage technician permit shall be transferable to another person. (Ord. 2005-1031 § 1 (part), 2005)

#### **4.28.210. Regulations for off-premises massage business.**

It is unlawful for a massage business operator to provide, or offer to provide an off-premises massage service unless:

A. The massage technician is in possession of, and is in full compliance with the terms of, a validly issued, unexpired, and unrevoked massage technician permit;

B. The massage technician is working as part of a massage business which is in possession of, and is full compliance with the terms of, a validly issued, unexpired, and unrevoked massage technician permit;

C. The massage is offered to be given or administered in full compliance with the regulations of this chapter;

D. The massage is given or administered in full compliance with the regulations of this chapter; and

E. Before the massage is given or administered, the massage technician shall present to the patron a written document which lists the services available and the cost of such services. The services shall be described in readily understandable language. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.220. Denial, suspension or revocation of license.**

A. Denial. Within ten days of the denial by the issuing authority of an application for any license or permit described in this chapter, the applicant may file with the City Manager a written request for hearing. At such hearing, evidence shall be received for the purpose of determining whether or not such denial shall be upheld. Following the hearing, notification of and reasons for the determination shall be set forth in writing and sent to the applicant by means of registered or certified mail, or hand delivery.

B. Suspension or Revocation. Any license or permit described in this chapter may be suspended or revoked by the issuing authority for any violation of a permit, any violation of any provision of this chapter, or any violation of any other article, ordinance, or law relating to or regulating the massage establishment, adult massage technician, or alternative health care practitioner. The issuing authority or his or her designee shall serve a notice of intent to suspend or revoke a license of the massage establishment, adult massage technician or alternative health care practitioner at least three days prior to the date of suspension or revocation. Such notice shall be served personally on the manager or owner of the massage establishment, on the adult massage technician, or on the alternative health care practitioner.

C. Within three days of receiving a notice of intent to suspend or revoke a license, the aggrieved party may appeal the notice to the City Manager by delivering a written explanation to the City Manager regarding why the revocation or suspension is being contested. The suspension or revocation shall not be enforced pending the appeal.

D. Within ten days of receiving the notice of appeal, the City Manager shall set the matter for hearing before an administrative officer or board, at which the hearing officer or board shall consider the reasons for the revocation or suspension, and at which the aggrieved party shall be entitled to appear and contest the reasons for the revocation or suspension. Notice of the hearing shall be provided to all parties at least three days prior to the hearing.

E. Within three days of the hearing, the City Manager shall issue a written decision regarding the suspension or revocation. The decision of the City Manager shall be final.

F. Nothing in the procedures for suspension or revocation set forth in this section shall prohibit the issuing authority from taking immediate action to suspend any license or permit described in this chapter if there is an urgency of immediate action to protect the public from injury or harm, or where a license or permit has been issued based on material misrepresentations in the application and but for the material misrepresentations, the license or permit would not have been

issued. In such cases, the suspension or revocation shall be effective immediately upon service of the notice by the issuing authority, and the aggrieved party may pursue a subsequent hearing by following the procedures set forth in subsection B and following of this section. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.230. Violations.**

Any person, firm or corporation violating any of the provisions of this chapter is guilty of a misdemeanor and upon conviction thereof shall be punished by a fine in an amount not to exceed one thousand dollars or imprisonment in the county jail not to exceed six months, or both. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.240. Injunctive relief.**

In addition to the legal remedies provided for in this code, the violation of any provision of this chapter shall be deemed a public nuisance, and may be enjoined by the City of Imperial Beach. (Ord. 2005-1031 § 1 (part), 2005)

**4.28.250. Constitutionality.**

If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this chapter. The Council hereby declares that it would have adopted the division and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid. (Ord. 2005-1031 § 1 (part), 2005)